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Daily Report

Latin America

FBIS-LAT-95-152
Tuesday
8 August 1995

Daily Report
Latin America

FBIS-LAT-95-152

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Leaders Address Eighth Mercosur Presidential Summit

Uruguay's Sanguinetti

PY0808000095 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1544 GMT 5 Aug 95

[Speech by Uruguayan President Julio Maria Sanguinetti at the Eighth Presidential Summit of Mercosur, Common Market of the South, in Asuncion — live]

[FBIS Translated Text] Presidents of fraternal Mercosur nations, of Chile, of Bolivia, ministers, lawmakers, civilian and military officials:

As we accept from Paraguay the honorable pro tempore presidency of the Mercosur Secretariat, we would like to acknowledge the contribution that Paraguay has made to this important integration process during its six-months term in office, and to thank it for its efforts. At the same time, as citizens of Latin America, Mercosur and Paraguay — as we feel ourselves to be — we would like to acknowledge the brilliant, honest, strong, and earnest efforts that the Paraguayan Government and Paraguayan society have been making to shore up democracy.

Despite all the pains, the turbulence, and the debates inherent in this type of process, Paraguay has been strengthening and shoring up a democratic structure toward which we feel empathy, fondness, and hope.

The Paraguayan president knows very well that we have been closely following this process all these years. In the years following my first term in office as president of Uruguay, I kept in touch with this process and felt that I was part of it as an academician and a politician. As a brother who periodically comes to visit, I would like to tell all Paraguayans, irrespective of their political leanings or social status, that I realize what you have accomplished and praise you for it.

Perhaps you cannot see the forest for the trees like we who are one step removed can do, enabling us to truly admire the efforts that this Paraguayan society of yours has made to open up. We see that your society has become more modern through architectural and urban development, social development, artistic efforts, and the deployment of economic forces. We see it playing the role it should play at the end of this century, and we want to tell all of you that what has been accomplished in such a short time is truly remarkable.

Perhaps there is still a lot to be done. I am sure that such is indeed the case, as it should be because it is a living historical process, and that is very important.

I know from my own experience that one could very well do without certain situations. I know very well that passions, interests, bitterness, and even fair claims rooted in the past hamper the process of democratization. Paraguay and its president, however, have been able to handle these situations despite everything, thinking in terms of a democracy for all. The key rule in this democracy should be a quote from Lopez Bravo, a great Spanish thinker and liberal of the 17th century: Every time you exclude someone, you make an enemy.

I believe that everyone in Paraguay feels as though they are part of this process, and that is the way you should feel. No one should ever be excluded because it will make him an enemy. The idea is to involve everyone, and I believe that this is being done in this vast endeavor to build democracy, which is a Paraguayan issue, but also an Uruguayan issue. It is an issue for all of us present here today. We feel affinity toward and fondness for you, and we would like to publicly and enthusiastically acknowledge this fact here and now. [applause]

We are meeting again today to further the construction of this process of integration. The Ouro Preto stage in which we set the course which we have been following all this time with considerable success, is now behind us. Trade has grown, our infrastructures are merging, and our administrative procedures are being reconciled. Extraordinary progress has been achieved as far as reconciling of educational programs, validating of diplomas, and university integration. It is clear to us at this time that Mercosur is no longer a matter of custom tariffs alone; it is a process of true integration. It is a true process of integration in which the forces of our nations are blending together.

As in any process, there are difficulties. In the realm of rhetoric it is always easy to put together beautiful and fluent phrases that make everything seem easy. However, when one arrives at this stage, as the Mercosur has, in which all the economic forces of the countries are at play, difficulties are bound to arise, especially since all our countries are adjusting their economies to cope with a new and different world. This is a more open and global world fraught with new phenomena, new scourges like corruption generated by the drug trade, and unexpected developments like the so-called Tequila effect, which clearly epitomized the side effects of globalization, for a crisis in Mexico had worldwide repercussions, even in industrialized and highly developed countries. A few years ago, no one would have thought it possible that a crisis in a Third World country could have repercussions in major financial centers. This did happen, however, and we felt these repercussions as well.

Throughout these months we have had to deal with the opening, modernization, and streamlining of our own countries, trying to reconcile our domestic efforts with this blending process called Mecosur. We have had some problems, some difficulties, which were only to be expected. We must all try to understand each other, and realize once and for all that there will always be debates. After all, an argument is not a confrontation, is it?. To argue the way we are doing here in the Mercosur is to seek solutions and to keep moving forward.

We have problems reconciling our industries, we have problems with competition from third countries, and we have problems with international dumping. We also have social problems that cannot be excluded from our agenda.

One of these problems — unemployment — is not ours alone. Industrial countries have been unable so far to reconcile technological modernization and unemployment. We also have labor migration to deal with This is something we cannot push aside because we feel that this is a quest for a partnership for the better, a partnership aimed at exploiting our economic potential in order to improve the living standards of our peoples. This partnership is not intended to spread misery around and to level off at the lowest possible social standard. We are aware that these problems lie ahead of us, and integration is the right tool for resolving them.

In this new stage, we must, in the months to come, strengthen this process. We must shore up the trade liberalization we have negotiated and agreed upon. The idea is that all of us — the presidents, the ministers, and our bureaucracies that are essential for this process — must realize once and for all that we are not operating on our own but together, which means that we must think about the repercussions that our actions may have for the other members, and to consider their problems as our own.

This is not a simple process because it implies a cultural and mental change. I can assure you all that this change has been achieved at the level of presidents and ministers. We must keep pushing to get our private business to accept this change as well. I am talking about private entrepreneurs and labor union leaders.

Occasionally a given business sector feels threatened, or gets discouraged because of some difficulty. We understand this, but we want to let them know that we are prepared to study their problem and to look for a solution. We want to tell them all that skepticism will not help us move ahead; rather, we should take concrete steps to find solutions.

We would like to tell the workers, the union leaders, our fellow politicians in Congress, that they are key elements for disseminating information about the Mercosur, for shaping public opinion in a way that will help this process move forward.

By the way, there is a new development in this process. There are documents that we have been negotiating recently, and they will be signed here today. These documents will launch processes aimed at integration with Chile and Bolivia, our fraternal neighbors. I believe that this is indeed an important development. We have been talking about this, and now our political will is going to take shape.

Today we will begin a process of negotiations which, probably by the end of the year, will tell us how and to what extent we will be able to work together with these fraternal countries which mean so much for us.

We are culturally similar, we are from the same geographical region, we belong to the same civilization, and we are part of the same historical process. Our histories have been intertwined since the discovery of our continent. All this provides the basis which will undoubtedly help this process of integration succeed.

The two fraternal countries that we welcome today will have to understand that we still have some problems to resolve, that we still have some pending issues, that we must still shore up many mechanisms. They can rest assured, however that we will do it because our integration is not a restricted process but a flexible process. It is not a return to protectionism; rather, it is the creation of a vast economic area that will help us play a strong and modern role in the world.

Our minds are not closed to the negotiations with Europe, which has many ties with this part of the world, or to our own responsibility in this hemisphere. We have been doing this very realistically, and that is important.

Psychologists have taught us that humans go through adolescence, a stage in which we ask ourselves who we are, and what our future will be. It is a stage plagued with doubts, uncertainties, and vast ambitions, a stage in which we clash with reality. At this stage we question our own identity every day. One day we le [illegible] adolescence behind and achieve maturity. We are [illegible] that at that point, we no longer ask ourselves wh [illegible] are. We know who we are, and our next challen [illegible] to start doing things, to see what we can accom [illegible], given who we are.

I believe that this applies to our Mercosur today. We have left behind our adolescence, during which we were asking ourselves what we are, and entered the age of doing things. At this point, I would like to quote a philosopher who greatly influenced us all, although he did not belong to our generation: Ortega y Gasset. He used to give extraordinary lectures in Argentina, and one day he finished one of them by bringing down to earth those prosperous Argentines who were building magnificent palaces, making beautiful speeches, and writing poetry. He said: Argentines, let's get down to work. Well, I believe that the time has come for all of us to do the same. People of the Mercosur, Latin Americans, brothers and sisters: Let's get down to work. That is what we are doing. Thank you.

Argentina's Menem

PY0708163095 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1600 GMT 5 Aug 95

[Speech by Argentine President Carlos Menem on the occasion of the Eighth Mercosur, Common Market of the South, Presidential Summit in Asuncion — live]

[FBIS Translated Text] Dear presidents of Mercosur [Common Market of the South] member countries, dear presidents of the Republics of Chile and Bolivia, ministers, congressmen, trade union leaders, diplomatic corps members, representatives from the Armed Forces, civilian and ecclesiastical authorities, ladies and gentlemen, sisters and brothers of Mercosur, sisters and brothers of Latin America:

Just a few words on this new and extremely important summit of Mercosur countries. As on some previous occasions, the presidents of Bolivia and Chile join us.

Today really is an extremely important day. Our dear president of the Oriental Republic of Uruguay has clearly and authoritatively discussed the social issue.

I say this is a very important day because this is the first time we have had the opportunity to meet the Mercosur trade union leaders and the international ILO [International Labor Organization] head. We agree it is necessary to shorten deadlines as much as possible to gradually overcome the scourges that trouble this part of the world.

This is, quite probably, the region that offers better prospects as far as natural and human resources are concerned, but it is plagued with the scourges that the Uruguayan president has mentioned: unemployment and poverty. The two are totally incompatible with the resources that we have in this part of the continent.

Nevertheless, these problems fully and definitely prove something that I have been saying for a long time, namely that everything, absolutely everything, relies on politics. Social, economic, and international issues obviously rely on the political proposals raised by our countries or by any nation of the world.

For this reason, Mercosur was possible and for this reason it took us so long — because we had a kind of indecision on this issue. We had democratic and antidemocratic systems that disrupted proposals to establish a regional organization such as this.

The restoration of democracy in the 1980's was essential to quickly make headway on this issue.

The initial steps were taken as of 1983. The Treaty of Asuncion was signed right here on 21 March 1991. The only president present on that historic occasion was this historic president. I am not historic over these accomplishments, but over my age. [laughs] Nevertheless, I am very happy to be the senior member of this group of prominent presidents of our continent. On that occasion, we virtually laid the foundation for a transition period that culminated with the Ouro Preto Agreement on 17 December 1994. Mercosur was implemented through a customs union on 1 January 1995.

The customs union has been in effect barely six months. Much has been accomplished, but there is still much to be done in practically every field of activity. However, we should also bear in mind that the Mercosur is similar to other organizations like the EU. The EU is still organizing itself after almost 40 years, and it is still facing problems that must be overcome.

Of course, one must understand that their ethnic groups are different, that their religions are different, and that many languages are spoken in that shared geographic area. These problems, however, have been gradually overcome.

Within a short period of time we have overcome problems that took them many years to overcome. For example, they now face the problem of a common currency. We will also face this problem within a short period of time. We will also have to deal with a common community law, a common legislation that has to be systematically organized to resolve the specific cases that are typical for these relations. Our national Constitutions must reflect this integration process. Our reformed Constitution takes international law into account. National laws take precedence over international law. Our national Constitution takes precedence over the agreements and treaties that Argentina signs with other countries of the world and enables us to quickly make headway in approving treaties like that of Ouro Preto, for example, which was signed with the Federative Republic of Brazil last year.

Many issues remain to be dealt with and many obstacles must still be overcome. It is essential, however, not to disregard political issues: The democratic system of government, that we have had lately, freedom, full respect for human rights. These are principles that we must follow closely so that the Mercosur may come into being sooner, rather than later.

After Mercosur comes into being, and bearing in mind last year's Miami summit, there are many prospects that include the possibility of a free trade zone between Canada and Tierra del Fuego and a free trade zone with the EU. I always like to set a date and there is a key date, in my opinion: On 15 December we Mercosur presidents will meet EU presidents in Madrid to discuss this possibility.

We already have transformed our separate markets into a market of 200 million consumers.

We are developing the possibility of establishing a common market of 700 million consumers with the EU in an effort to defeat the two scourges that worry us most: structural poverty and, even more painful, extreme poverty, the poverty of those who may not even have a piece of bread to eat every day. It is unfortunate, but this situation is present in our continent. We will address these issues further at future meetings. The main thing, however, is to make this integration process come true.

I keep in mind the words of one of my teachers in the field of politics. I agree with the Uruguayan president's expression on [Spanish philosopher Jose] Ortega y Gasset: Argentines, let's get on with it! Latin Americans, let's get on with it!

The year 2000, however, is a key year for us. By 2000 we will be united or dominated. This represents a challenge for us to meet so that by 2000 we find ourselves united and definitely liberated.

Many, many thanks. May God bless you all!

Brazil's Cardoso

PY0808031095 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1613 GMT 5 Aug 95

[Speech by Brazilian President Fernando Henrique Cardoso on the occasion of the Eighth Mercosur, Common Market of the South, Presidential Summit in Asuncion — live; Cardoso speaks in Portuguese]

[FBIS Translated Text] Mr. President Juan Carlos Wasmosy; Messrs. presidents of the Mercosur [Common Market of the South] member countries; Messrs. presidents of Bolivia and Chile; Messrs. ministers, ambassadors, and representatives of the diplomatic corps; ladies and gentlemen:

After having heard the words of President Julio Maria Sanguinetti and of our friend Carlos Saul Menem, I thought that the only reason that would justify the president of Brazil's decision to unite his voice with theirs would be to say that he entirely agrees with what has been said here and to add that, as Brazil is the only country in this organization that has a different language, I would like to mark our presence by using Portuguese, a language that is, I hope, becoming increasingly easier to understand, particularly if I speak it clearly and slowly in an attempt to make you understand me without the need for interpreters.

Messrs. presidents and ministers, I would also like to tell you that, speaking as the president of Brazil as well as on my own behalf, we are very satisfied over the successes achieved by our common efforts within the Mercosur framework. A little more than two years ago, I attended a meeting in this same room in the company of former President Itamar Franco and as his finance minister. Since then, a great deal has been achieved in the Mercosur: First, the Ouro Preto Protocol. This protocol is a significant success achieved during the meeting held in that town, which I attended as president-elect. Second, a new stage that we have already reached: Since 1 January, we have been functioning as countries that have unified customs rules. The common external tariff, which worried so many in Brazil and abroad, has become a reality and is here to stay. It is a reality which is showing us that throughout the Mercosur's brief history fraught with success, our countries have learned something essential in a democratic system: They have learned to respect the other party and to negotiate. Whenever a domestic decision is made, we must bear in mind that this decision has repercussions in other countries, and that whenever domestic decisions made for legitimate reasons harm our Mercosur partners, there is a simple way out: To discuss the matter honestly and make adjustments whenever possible to keep moving forward so that integration will be something very positive for each of the Mercosur members. Is this very difficult? Of course it is. Are there pressures? Of course there are. Are these pressures great? Yes, they are very severe, but that is the price you pay for progress.

We have been able to achieve in a few years what has been taking decades to become a reality in Europe. We have been able to do it calmly, and we are obtaining ever-increasing support for our efforts.

There is another thing I want to underscore. Today, the Mercosur is not just presidential and ministerial meetings. Initially, the foreign ministers met, then the economic ministers met, and now we have a broad spectrum of ministerial meetings. The Mercosur, however, is much more than that now. It definitively has a political meaning, and its social meaning is growing. The fact that this morning we held talks with congressmen and labor union representatives concretely indicates that we are integrating these new dimensions into the Mercosur structure. Not much, or rather we could say very little, has been done thus far because the Mercosur economic-social forum has not even started to function. It is only an idea. No, it is more than an idea. It has been established in an agreement reached among countries. This protocol, however, still has not been ratified by our congresses, although we are advancing in this regard. In Brazil, we are but a step from it, because the congressional committee that deals specifically with that has already approved it. All we need now is to vote on it at a plenary session. This protocol will be approved because it represents a Brazilian national feeling that is reflected in a Latin American feeling. This feeling becomes a reality in the Mercosur. Currently, the Mercosur has only four member countries, but it will grow. This growth is essential, and I would like to ask you to allow me to make a brief analysis. I have been commenting on this same analysis during the last few months. Changes occurring in the contemporary world have been so abundant that we may yet come to realize that we are experiencing a new Renaissance period. I say that, and ask Professor Sanguinetti and, in particular, Mrs. Sanguinetti to allow me to venture into their areas, because I really believe that the changes we have been experiencing not only give a new dimension to man, but also require that we review our fundamental concepts about the construction of states and nations. I will not refer to something that everyone knows and that has already become commonplace.

Everyone knows that the revolution brought about by the means of communication has transformed time into something real and immediate. Everything that occurs in a place becomes immediately known by the entire world. I will not say that the means of communication have allowed an immense combination of efforts toward economic development; that societies currently organize themselves and communicate not only at the gubernatorial level, but also at the level of nongovernmental organizations. I will say that this has been generating a new culture, that we are increasingly more aware of our capacities, and that we now have a scientific and technological knowledge that will allow us to make decisions leading to an effective modification of our countries' structures. I will add that although we have already stopped competing for the conquest of outer space and racing to reach the moon, particularly because it has already been reached, having stopped this sort of competition is something extremely important because it included the risks of war. Competition now occurs in other terms. It includes even a spirit of cooperation, and this spirit transcends the concept of territorial borders. Man's position is now similar to that of those who lived during the Renaissance period. At that time, human beings discovered and became convinced that they were the measure for all things. The only difference is that during the Renaissance, men sought the standards of a classical world. Nowadays, however, we have to look for more because no standards can be found in the past. We must invent new ways of coexistence without being able to resort to any previous experience partaken of by humankind. There is yet one more difference. If this definition of men as the measure for all things has become a reality a long time after the days of the Renaissance, and occurred around the construction of national governments, we may now have to deal with concepts that are different from those used as a basis for national governments: the system of classes and of one class dominating the other. We are now being challenged to build ways of coexistence that have humankind as the subject and center of everything, ways of coexistence that no longer have men as the measure for all things and the social classes as a concrete result of economic exploitation. If the subject of the concept is humankind, if the objective is humankind — and we were led to think so by the great changes brought about by this new Renaissance that makes it impossible to solve ecological problems inside a single country and forces us to ponder and think of solutions that go beyond national frontiers — if the atomic terror has frightened us because it had power to affect countries that were not at war; as a consequence, this new vision of the world and this new creative capacity men now possess have forced us to go beyond the concept of national borders. We have to discover new ways of coexistence, unrestricted by class egoism, and still less by ambitions, particularly groundless ambitions of supremacy of some states over other states. That is why we coexist peacefully nowadays, whether we like it or not. There is simply no option other than integration. Within the framework of integration, there is no other alternative than to seek in the social area, as we have just started to do in the Mercosur, the grounds for action, which can no longer remain restricted to the political area. There is no other alternative than to believe that we will be able to develop ways of achieving an economic development that will bring about this new dimension.

Willingly or not, we are living in a new era, and this era is becoming a reality in our countries. We already know that we will have to make huge efforts because macroeconomic policies are fundamental for a sustained integration. Not by accident, many or all of us here have had to fight against inflation and define ways of controlling the economy in order to be able to more effectively and adequately maintain contacts among our nations. Not by accident have we all learned, as I have just said, that certain internal economic decisions affect other countries, and that we must, therefore, permanently consider the other countries as part of this new vision of the world. This vision, however, is dynamic. It is advancing.

In the concrete case of the Mercosur, there has been not only the Miami Summit — which proposed bigger challenges already at the hemispheric level — but also the more concrete meeting held recently in Denver, which sought more concrete paths. Having to face the great challenge of seeking integrated ways of coexistence, of making, as I have just said, humankind the objective of our efforts, and of being concerned not only about what is ours, we will also have to keep in mind that, unless we also look after what is ours, we will not be able to obtain effective results at such generic levels as seeking to achieve an overall objective that is at the same time common to humankind as a whole.

These paths are not contradictory; on the contrary, they are complementary. This is why we have been so insistent upon the implementation of the Mercosur and are so satisfied to see that Chile and Bolivia are attending our debates, which, while being very particularly ours, are also very universal.

We are open to integration with the EU. We hve accepted the challenges posed by hemispheric integration. We know, however, that we will be better prepared to deal with these challenges if we and our immediate neighbors are organized first. Our geographical location makes it necessary for us to negotiate first with those physically closer to us; namely, the Southern Cone. It is not that we do not want ties with others; we do want them. I have recently returned from Venezuela; I will go to Colombia; and we visited Peru recently. We are all realizing how important it is to bring South American territories closer. I do not want to use expressions that might be misinterpreted in view of some geographic differences, because there are no such. It is true, however, that it will be easier to construct spaces that will ensure the happiness of humankind in this new millennium if we begin by doing it with what is closer to us: Those who are now sitting around this table.

This is what we will do. We will do it with modesty, humility, and the intention of seeking to level out differences, because we believe this project is fundamental to improving our peoples's situation. We may be building a new type of nation without realizing it. In this nation, the presence of the labor unions and of the nongovernmental organizations, as well as of our congresses —and I take the opportunity to greet the congressmen who are present here — shows that they participate in the construction of spaces that were previously reserved to the executive branch. These signs show that we are living in a new era. The executive branch we represent will only be effective, and it is currently being effective, if it can understand the changes already occurring in the world, and if it is able to understand that it has to hold talks with other nations' executive branches and that all of them together must express the will of our societies.

This is our challenge. I am sure that sooner or later other countries will join this same spirit and perhaps also have a common external tariff within the framework of a customs union.

How fast will we progress? As fast as may prove prudent to make our steps safe. We must consolidate what we have already achieved. If our projection is the millenium, we should not allow time to constrict us once our course and goals are set. I believe this is what we have been able to define together. Currently, we have a course; our countries have a course. This course does not lead to isolation. It leads to ever-increasing integration and to dialogues among the member groups. This course, however, can only have an effective meaning to our countries if it is assimilated by our peoples and reflects the organized will of the congresses that participate in the integration process, of the labor unions that participate in the process, and without ever forgetting what President Menem has said: Namely, that we are organizing ourselves in order to solve problems; that before making decisions, we must consider whether we are increasing the number of jobs, whether we are increasing the opportunitites for investment in our countries, whether we are considering the environment when we make these investments, and whether we are ensuring freedom and democracy. All these issues are part of this new Renaissance. The world that is dying, the world of countries that competed for supremacy and led their people into wars, the world that had a blind and unbridled passion for ideology, the world that is dying, is dying because it was not able to grant freedom. The parts of this world that are now dead perished because they were not able to understand that without freedom there is no science, that without democracy nothing ensures the continuity of an economic growth process, and that the government is impotent in its splendid isolation to ensure what is necessary to the peoples of the world.

The world that is now being born, the world in which we are participating and which are helping to construct, is a world that deeply believes in education, in scientific development, and, above all, in the freedoms that can ensure them. It is a world that knows that none of these things will persist if we are not able to keep the ideals of justice and equality very much alive. This is our challenge, but we are moving very firmly toward these goals because we feel that there is not only political will to do so, but because we know that we have our societies' support. I thank you very much. [applause]

Bolivia's Sanchez de Lozada

PY0708213595 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1630 GMT 5 Aug 95

[Speech by Bolivian President Gonzalo Sanchez de Lozada on the occasion of the Eighth Mercosur, Common Market of the South, Presidential Summit in Asuncion — live]

[FBIS Translated Text] Mr. Juan Carlos Wasmosy, president of Paraguay and friend; Messrs. presidents of Mercosur member countries; Mr. President of Chile:

I am particularly pleased to attend this Eighth Mercosur Presidential Summit meeting in response to the kind invitation extended to me by my friend President Juan Carlos Wasmosy.

Tomorrow, I will be celebrating the second year of my four-year term in office. Like any traveler, I look behind and I am surprised at how much has been achieved but at the same time I look ahead and I am quite concerned at all that we must still accomplish in a relatively short time.

As a Bolivian and as the president of Bolivia, my presence here in Asuncion is of particular importance. In these past two years, we have done more to improve Bolivian-Paraguayan ties than in the past 50 years.

Through the good will of our veterans, we have decided to bury the war and plant a new tree of unity and happiness. [applause]

We have also decided that unity and integration are achieved through specific works. Although it is hard for me to understand this as a man of letters, it seems that the only way to achieve unity is to build roads, and the waterway.

It is with great pride that I can announce today that we have obtained financing for the Trans-Chaco road, which will erase a border that caused so many deaths. I am also proud to announce that our respective congresses have approved this project, and that with the disappearance of this border, the entire Chaco region will belong to all Paraguayans and Bolivians. [applause]

It is with this spirit that I have arrived from Our Lady of La Paz to Our Lady of Asuncion. At this time I would like to state that this is the second time I have participated in a Mercosur summit, and I am very pleased to say that we are finally signing something concrete and setting deadlines and dates for an agreement on free trade with this huge common market. According to the provisions of this agreement, we will be negotiating historical assets — and we must find some other word for this because some people believe that we get together to discuss the fate of churches and museums. In any case, we will straighten out the historical assets issue by the end of the 1995, and by the end of 1996 — if possible, by June 1996 — we will sign the free trade agreement with Mercosur countries. I do not want to say if possible; it has to be possible.

I have already discussed with some presidents the fact that in view of Bolivia's political situation, we have to establish a timetable for the holding of domestic discussions on the negotiations. This timetable cannot extend beyond June because this free trade agreement must be approved by the end of the year by the ordinary congress sessions that start on 6 August 1996, for 1997 will be an election year in Bolivia and during it no one will be making offensive remarks or struggling with the region over economic interests. Therefore, it is mandatory and essential for Bolivian negotiations with Mercosur countries to conclude before, or at least by, 30 June 1996.

We are willing to do this because we are aware that our future is based solely on the possibility of having access to larger markets, and these markets lie in neighboring countires. We cannot supply our resources solely to developed countries; we must also become suppliers to friendly and neighboring countries. Because of our geographical location, out fate is to be the link between the Atlantic and the Pacific.

It has been hard for us to acknowledge that we are not a landlocked country. Bolivia is a country linking much bigger countries than itself, such as Brazil. Its access to the Pacific is closer through Bolivian territory than to the Altantic through its own territory. We must be the link between certain rural Argentine, Brazilian, and Paraguayan regions and Chilean and Peruvian ports. This situation will allow us to develop a highway and railraod infrastructure going beyond the requirements of our own economy. In turn, this infrastructure will help our economy grow and will allow us to become part of the world from which we have been estranged for many centuries.

Undoubtedly many wonder what is the objective behind these ties. There are many who fear being subjected to imports, competing with economies that are 20 or 30 times bigger than our own. Nevertheless, we are perfectly aware that it is useless to struggle for the development of our market if we are unable to share it with much larger markets.

Just as we are right now exporting the best of our population, and unfortunately we are also exporting drugs to the world, give us also the opportunity to export our creativity, our added value, our spirit, and our essence through manufactured products. We demand no privileges other than the opportunity to have free access to large markets in exchange for the free access of merchandise. [applause]

Recently, I was unable to answer what we will sell and buy from Paraguay once this huge investment and integration effort was accomplished through the waterway and the Trans-Chaco road. Well, now that I am here, I know that we can sell vicuna and alpaca wool clothing [laughter — referring to the prevailing cold weather] during the winter season.

Returning to the essence of what we believe is the dynamics of Mercosur, we believe that although the agreement calls for 10 years to complete Bolivia's integration into the Mercosur through a free trade agreement, we must accomplish this much sooner. If we are talking about a hemispheric market by the year 2005 — something we felt to be very far away or removed at the Miami summit, but now realize to be just around the corner — we must start getting used to free and fair trade. I want to emphasize this: Free and fair trade, because, generally speaking, as soon as customs tariffs go down, other barriers come up. Our relations must be based on honesty and openness. We must truly come together before facing the hemispheric challenge.

In view of this, we must particularly devote our efforts to achieving physical integration. As we have repeatedly stated, the waterway, which will be like a marvelous Mississippi River that never freezes, must be managed by an autonomous authority subject to the political will of those countries involved in this important project. As Argentina, Bolivia, and Paraguay have done regarding the Pilcomayo River, we have to designate someone, an executive with great authority, but preferably not a native of our countries so as not to hurt any feelings. This project must be set in motion. I have been in office two years, and I see no progress. We must achieve progress today, and like the Italians say: We have to get used to the idea that tomorrow is too late. [last phrase in Italian] [applause]

The other great concern we are facing is that this market is possible whenever we are convinced that it will generate more jobs. The single most important problem we are facing today is the lack of jobs in our countries. This is becoming an increasingly desperate issue. It is not that our economies are not growing, but what we are witnessing is that through the mass media, more and more people are moving from rural areas to capital cities. Moreover, our economies are becoming more technologically oriented, and are trying to acquire state-of-the art technology, as they should. Therefore, we should convince our countrymen that instead of jeopardizing their jobs, this integration process we seek will allow many of those who today lack jobs to have access to jobs.

How to achieve this is the question, because those with jobs feel jeopardized by the competition, while those without jobs are in no position to pressure for the achievement of integration which can create new jobs.

I believe that the secret lies in adopting a true radical position if we want to be truly revolutionary. If the definition of this phrase is tantamount to the adoption of irreversible radical measures, then we have to adopt them right now because we have to show that this integration effort will create jobs, that it will not jeopardize existing jobs, but rather create new jobs.

We believe that this is the great challenge we are facing today. In a country like Bolivia, where we have a small industry, we are starting to hear voices demanding a gradual approach to integration and urging that barriers not be lifted.

All this is senseless because there is a terrible fear among the haves and terrible despair among the have-nots, but we have to convince them that this integration process is the only hope.

If we speak of 10 years, they will be unable to understand it because 10 years is a century for one individual. It is a millenium for a person who lacks a job.

We should not make this integration merely an act of faith, but an act of optimism. It must be a much more radical and comprehensive process. We must achieve it with alacrity. How are we to convince them that a step back can signify two steps foreward?

This is the great challenge we face today because, above anything else, this is a political process. This process will weaken and dry up if the essence of hope is not restored. We will face great problems if it is identified with the loss of jobs and not with the creation of jobs. I believe we will be able to achieve this goal if this integration process is more expeditious, more bold, more drastic, and irreversible. Only then will people assert: The opening of these markets is not jeopardizing my job. The opening of these markets can jeopardize my job if I do not get training, but I know that it will generate many more jobs for other members of my family and my fellow countrymen.

Herein lies today's great challenge. The great danger I see is that if we do not achieve physical integration in an expeditious manner through the implementation of great projects such as the gas pipeline in the southern Brazilian region, if we do not implement the road and railroad construction projects that link us to the two oceans and that allow us to have access to the great markets on the Atlantic and the Pacific, and if we do not witness the dynamic of the creation of jobs through Mercosur, we will, in my view, witness the emergence of political proposals opposing this integration process and undermining it. But this tree must grow; it has to yield fruits for the benefit of our children and our children's children.

I sincerely think that on this occasion in which we are witnessing serious obstacles to the democratic process and the free market process we have struggled so hard to achieve and implement, we must feel that democracy, which also helps us to overcome ineffectiveness and corruption, and the free market system, which also makes more obvious ineffectiveness and protectionism, must be accompanied by a modern dynamics, a dynamics of politics and optimism.

Bolivia has no doubts. In view of this, we want to hold the domestic debate on this issue as soon possible. We want to find ourselves in less than one year, at the most, signing an agreement that will irrevocably unite us to this integration process and thus, God willing, also help us to unite our beloved Andean market, through the Cartagena Pact, with this great Mercosur project.

Let me remind you that it is not at all difficult to be a member of the Mercosur if we are part of the South and if we are people who uphold this great hope and great ideal.

Let me finish by saying that statesmen undoubtedly think about the next generation and politicians think about the next election. I am not a politician seeking reelection because Bolivia's Constitution does not allow me to do so, but I do want to assert that we have to uphold a much more productive attitude before this Mercosur becomes an election issue and attacking this great process yields votes.

We have to take advantage so that all our countries at all policial and social levels seek integration as the future of their children and of their countries and see that the future of the next millenium, and the next century lies in a united economy, a united continent, and, God willing, a united hemisphere. [applause]

Chile's Frei

PY0708183395 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1651 GMT 5 Aug 95

[Speech by Chilean President Eduardo Frei on the occasion of the Eighth Mercosur, Common Market of the South, Presidential Summit in Asuncion — live]

[FBIS Translated Text] Dear friends and Mercosur [Common Market of the South] presidents, Bolivian president, ministers, representatives of legislative and judicial branches, ambassadors, union and association representatives, ladies and gentlemen.

First, I would like to congratulate the presidents of Argentina, Brazil, Paraguay, and Uruguay for the important achievements of Mercosur, during this brief but fertile stage, in the process of regional integration. I wish to thank them for inviting the Chilean president to share this presidential summit. We are here to continue working for a politically and economically stronger Latin America. The end of the cold war coincided in our region with a deep internal changes marked by democracy, the opening of markets, and the development of regional cooperation and integration. The political, institutional, and economic crises of the 1980's are now behind us, and Latin America has launched a process of political and economic modernization that has awakened great expectations among key world players. Faced with a new reality our region had to readjust, and it has done so successfully.

In the past few years trade, investments, and economic integration, have achieved extraordinary development. Today, as never before, we share common values in the political and economic sphere. Our trade has increased and physical integration projects have started to becoming realities. Our position as a region is consolidating in the eyes of the international community. We are actively participating in discussing issues that concern all humanity; among them social, environmental, and security issues. In sum, today this young and emerging world community is assuming an increasingly defined position. It is facing its problems in a way that permits us to look at the future with trust.

Chile has actively cooperated in this process. We want to continue to cooperate with it with even more determination. I have sustained with total conviction since the beginning of my administration that Latin America is a foreign policy priority. This is our natural area of reference and our natural sphere of foreign action. Here our historic, cultural, political, security, and important economic concerns meet. This is why we advocate a climate of peace, dialogue, solidarity, and mutual trust among the countries of the region. Specially important is the development of a strong neighborly and subregional policy to provide an adequate framework for the growing interdependence that is being built in this part of our region, always taking into account the particular situations in each country.

We all cooperate with this process and we all join this common path with our own realities. Chile is participating through an open economy that emphasizes exports and market diversity. This is the key to understanding our approach to participation in international affairs and regional cooperation.

Our economic system is shaped by the fact that we have a small internal market but large and diversified natural resources. Our development, then, has been marked by the opening of our economy through the elimination of restrictions on international trade and the elimination of tariff and non tariff obstacles. We have sought to improve the efficiency of our internal production by creating the necessary institutional conditions for an open economy. The main motor behind our economy has been the exporting sector. In the past five years Chilean exports of goods and services has increased by more than 42 percent. Here we must stress that we have strongly diversified our exports. The mining industry had the largest share of our exports at the end of the past decade. Only one third of that total was industrialized products. Last year the two areas exported practically the same amount. We hope that in 1995 we will export more than $15 billion. What is more important, this figure represents more than 40 percent of our total production. Our economic focus on exports has required not only that we diversify our production, but also our markets. In 1994 more than 30 percent of our exports went to Asia, slightly under 30 percent went to the EU, over 22 percent went to Latin America, and 18 percent went to North America. As far as imports are concerned, 26 percent came from Latin America, 26 percent from the United States and Canada, 20 percent from the Asia Pacific Economic Cooperation, and 19 percent from the EU. For the first time, we exported to and imported from Latin America more than from North America. Even more important is the fact that we are exporting manufactured products to Latin America, while our exports to industrialized countries continue to be, as is the case of all our countries, commodities and raw materials. We are selling manufactured products with added value to Latin America. All these figures clearly show the diversity of our trade, and help in understanding why we firmly believe in open regionalism in our international negotiations.

This open regionalism promotes agreements as a way to expand trade and investments and as a way to strengthen an increasingly free world trade. This is why we have always supported GATT, of which we are a founding member, and more recently the Uruguay Round. This attitude has given us the tools to face the new international reality. We have made the unilateral opening of our economy compatible with an active participation in multilateral negotiations and in the signing of numerous bilateral and regional agreements. This regional policy has been beneficial to us, it is part of Chilean reality, and it is our contribution to the region. We have always upheld that any progress we made in negotiations with other regions was positive for all Southern Cone and Latin American countries. That is why we see the invitation Chile received to join NAFTA as the first stage of the process which all countries of the Americas must carry out together toward a free hemispheric market, as agreed upon in Miami.

A similar process occurs in our approach Asian countries. When we travel to the Asian-Pacific region accompanied by entrepreneurs representing all our interests we not only offer the Chilean market, which only has 14 million inhabitants. We offer Chile, which thanks to its geographic position can operate as a door for Latin America, particularly for Southern Cone countries.

We consider an agreement between Chile and the EU as a basic agreement that must be in accordance with the Mercosur process of rapprochement with the EU. Chile will strengthen its integration with Latin America by making a very specific contribution: Our geographic position and our accumulated experience in trading.

Our participation in the most dynamic centers of the world economy will increasingly turn Chile into a business and financial platform that will promote the flow of products, capital, and technology transfer into the region. Chile will become an efficient bridge between Mercosur and other large markets, particularly those in the Pacific region. My government has an investment plan worth $500 million to improve and build ports and highways to favor our physical integration with Mercosur. We hope to finish implementing this plan, which includes the construction of various inter-oceanic corridors, by 2000. In this way, Asuncion Treaty member countries, their entrepreneurs, those dedicated to transportation and tourism among other activities, will have efficient highways and port infrastructures, as well as an entire spectrum of financial services and related activities, to trade with the world.

We see our policy of open regionalism as our contribution to the region, but for us Latin America is different from other regions. In our region we can move beyond mere trade agreements. We can pursue growing levels of integration and cooperation. Thus we see our partnership with Latin America and the Mercosur as a strategic alliance to seek other agreements and to broaden political relations and cooperation with other parts of the world.

Today we have commercial agreements with almost every country in the region. We have signed economic cooperation agreements with most regional countries. We will sign an agreement with Peru and expect to conclude our association with Mercosur in the next few months. There are similar initiatives throughout the entire region. Our countries have made significant progress in their efforts to achieve greater economic integration.

Interregional commerce and investments have increased significantly. This increase has sometimes been possible only by exceeding the limits of the institutional frameworks established for this purpose. In face of this clear reality we must do our best to see that integrational institutions recognize the fact and adapt their structures to the new dynamism shown by productive sectors. We must accept that perhaps there is no single path to integration and that we will pursue that objectives in diverse ways, through bilateral, subregional, or regional and hemispheric agreements. It is unavoidable to recognize this reality.

Today more than ever we must look after the market of each of our products for they are frequently being blocked by obstacles, particularly non-tariff obstacles. The signing of free trade agreement helps, without a doubt, to pursue this objective, but their limitations and the frequent exceptions contained in them suggest we must continue to seek and to strengthen new and stronger deregulation agreements. We think this must be the true challenge for Latin American, Chile, and especially Mercosur member countries.

Last December we met at the Americas summit. We then agreed to advance toward a free trade agreement for the Americas with new relations between countries. We must also stress the basic importance of the Denver agreements, which reaffirmed the interest of countries in the continent to create a hemispheric free trade zone for 2005. This confirms there are large spaces for new and more important agreements among democracies in the north, the center, and the south. It is here where we are building our project for the future and implementing what we think must be Chile's relations with the four brotherly countries in the Mercosur and with Bolivia.

I would like to stress, once more, something I have sustained on various opportunities since the beginning of my term. In Latin America we seek not just free trade, but the gradual creation of a great integrated economic area in the Southern Cone, an area that will include all economic activities, not just free trade.

Within this context, our relations with Mercosur acquire a real dimension. We are united by special relations with Mercosur member countries. Brazil and Argentina, for instance, are today our third and fourth commercial partners at a global level. We have long developed strong political, economic, and cultural links with Paraguay and Uruguay. Our trade with the four Mercosur member countries already exceeds 15 percent of Chile's entire foreign trade. The country that receives most Chilean investments is Argentina and future prospects are more than encouraging because we are investing through our entrepreneurs in most countries in South America, Mercosur, and above all, in joint ventures between Chile and respective host countries.

We understand it is only natural to quickly conclude an agreement between Chile and Mercosur. I also think this agreement has been postponed already for many years, perhaps even for many decades.

The proposal we have for the Mercosur is the same one I stated one year ago at the summit in Buenos Aires. We propose a global agreement that will encompass more than just trade free from customs and non-customs barriers. Rather, it should seek to shore up the interdependence of our economies through cooperation in the fields of energy, services, investments, physical infrastructure, and transportation — in sum, in every field of activity. As I have said before, Chile is negotiating other agreements that will soon free large portions of its trade from barriers. This makes it urgent to reach an agreement with the Mercosur which is much broader because it includes key elements for our development, elements that go beyond merely commercial relations and imply, as I noted previously, a great integrated economic area. Thus, we have been persevering, and fortunately today our foreign minister will sign the agreements to establish work groups and to draw up an agenda that will allow us to conclude the negotiations aimed at establishing this partnership within the framework of the deadlines proposed by the Mercosur.

Dear friends, today we constitute a group of sovereign nations that have found their own way. Our paths for development have many times coincided. We must then have a equal, fertile, and open dialogue in which different cultures and traditions are mutually respected and enriched.

We do not attempt to isolate ourselves from the region, or put aside the region's importance in our development, when we negotiate with other economic groups in the world. On the contrary, we think that in some way we are contributing to improve our region's negotiating position in its search of our common objective: The deregulation of trade and our full entry into the world. We think the path we have chosen necessarily passes through the enrichment of our neighborly relations and the creation of a large economic space in this part of the continent in order to further the purpose of a hemispheric free trade zone. In this way we will build a new community in the Americas, much more generous, more free, more just and filled with solidarity. Thank you.

Bolivia Vows Not To Give Up Andean Pact for Mercosur

PY0708191195 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1533 GMT 5 Aug 95

[FBIS Translated Text] Asuncion, 5 Aug (AFP-NA) — Bolivian Foreign Minister Antonio Aranibar Quiroga has emphasized that Bolivia will "in no way" give up the Andean Pact to join the Mercosur [Common Market of the South]. He admitted that his country is more interested in a "four plus one" formula with the bloc that comprises Brazil, Argentina, Uruguay, and Paraguay.

The Bolivian foreign minister accompanied Bolivian President Gonzalo Sanchez de Lozada at the Eighth Mercosur Presidential Summit in the Paraguayan capital on 4 and 5 August.

In a very diplomatic tone, Aranibar Quiroga said the Bolivian Government is pursuing "the very clear political goal of fully supporting the integrating efforts of Mercosur."

The Bolivian foreign minister confirmed Bolivia's goal of fully supporting the integration effort of Mercosur, but emphasized that "it is necessary to discuss methods."

Aranibar Quiroga said that a meeting was held with the Common Market Council ministers, at which "all internal difficulties for conducting quicker negotiations with Bolivia were raised."

Asked if Bolivia was willing to give up the Andean Pact to join Mercosur, the Bolivian foreign minister responded: "In no way."

In conclusion, Aranibar Quiroga said: "That is not our goal. At this moment, we believe South American integration must pursue the path of joint efforts and the convergence of regional processes."

Mexican Official Discusses Talks With Chile on NAFTA

PA0308141095 Madrid EFE in Spanish 0254 GMT 2 Aug 95

[FBIS Translated Text] Mexico City, 1 Aug (EFE) — Mexican representative Eduardo Solis stated today that the North American Free Trade Agreement (NAFTA) could replace the valid Economic Supplement Agreement between Mexico and Chile when the latter joins NAFTA. "Both are commercial agreements. An agreement such as NAFTA establishes much broader provisions and would totally replace the supplementary agreement," Solis stated after the first technical negotiations meeting to incorporate Chile into the North American economic bloc.

This agreement stipulates that most of the products traded between both countries starting next year will not have to pay duties. This statement was made by Solis, who is the coordinator of the general commercial negotiations with America from the Mexican Commerce Secretariat. At this point, said Solis, the attorneys will discuss the compatibility between NAFTA and the agreement that has existed between Mexico and Chile since 1992. The meeting of U.S., Canadian, Mexican, and Chilean negotiators was held in Mexico City between 25 July and 1 August. The negotiators, however, did not reach an agreement on the terms for the entry of the South American country into NAFTA.

Solis pointed out that the negotiations for Chile's entry into NAFTA are still at the preliminary phase of exchanging information and studying the mechanisms of the negotiating groups. "Obviously, Chile knows NAFTA's rights and obligations. It is also true that we find it important for Chile to present the status of its laws and how they conform to NAFTA," Solis added.

For his part, Juan Gabriel Valdez, Chile's representative to the negotiations, said his country was in no way pressured for time to enter NAFTA.

After the Mexico meeting, the four countries agreed to present their proposals in writing, while a date is set for a new round of negotiations, according to the agreement established by the commerce ministers of those nations in Canada on 7 June.

Cuba

Robaina Arrives in Caracas, Meets With Foreign Minister

PA0708143595 Havana Radio Havana Cuba in Spanish 0000 GMT 5 Aug 95

[From the "Evening Information Review"]

[FBIS Translated Text] Cuban Foreign Minister Roberto Robaina arrived on Friday in Caracas, capital of Venezuela, where he met with his Venezuelan counterpart, Miguel Burelli Rivas.

Local sources said the two foreign ministers reviewed the status of bilateral relations and some issues dealing with the upcoming summit of leaders from Association of Caribbean States member nations. The summit will be held on 17-18 August in Trinidad and Tobago.

Robaina had previously visited Guyana, where he met with Guyanese President Cheddi Jagan. He had also visited Panama and Peru.

Cuba, Guyana Sign Agreement, Expand Cooperation

PA0708142295 Havana Radio Havana Cuba in Spanish 0000 GMT 5 Aug 95

[From the "Evening Information Review"]

[FBIS Translated Text] Cuba and Guyana agreed to expand their cooperation in the mining, investment protection, pharmaceutical industry, and house construction sectors; and to continue developing their relations in the health, education, culture, and sports sectors.

This agreement was stated in the final document issued by the Cuban-Guyanese Mixed Commission's 18th meeting, held in Georgetown. The document was signed by Guyanese Foreign Minister Clement Rohee and his Cuban counterpart, Roberto Robaina, who emphasized that the agreements reached prove the broad perspectives for cooperation between the two countries.

Argentine Legislators, Businessmen Visit

FL0708174995 Havana Radio Rebelde Network in Spanish 0900 GMT 7 Aug 95

[From the "Doing Radio" program]

[FBIS Translated Text] Alberto Pierri, president of the Argentine Chamber of Deputies; Chamber of Deputies Secretary (Juan Carlos Coran); and Argentine businessmen are paying a short visit to Cuba. Pierri commented on the possibility of stronger Cuban-Argentine relations. He is scheduled to visit various enterprises and to meet Cuban authorities. Pierri pointed out that it is important to survey Cuba's current position and to set up Argentine investments in Cuba. He stressed that several Argentine businessmen are interested in investing in Cuba.

Robaina Addresses 'Cuba Vive' Conference

PA0708152095 Havana Tele Rebelde Network in Spanish 2219 GMT 6 Aug 95

[Speech by Foreign Minister Roberto Robaina at the close of the "Cuba Vive" international youth festival in Havana on 6 August 1995 — recorded]

[FBIS Translated Text] And yet it does move, Galileo is said to have said in what could have been his Final Judgment. I would add to (?Galileo's) words by saying that, despite the embargo, Cuba moves and lives. Fortunately, but also unfortunately, I do not have the gift of ubiquitousness and had to content myself with learning from a distance about what has happened in the past few days. I also wanted to get soaked in yesterday's downpour and sing the homeland's song once more. [14-second station break] Many long-term loans of hope, bearing a high interest rate of love, were completed here in the past few days. These are sentimental transactions, to see who invests more in the heart of [words indistinct], a powerful multinational corporation of solidarity. They came as far as the kitchens of our homes and know us just as we are, with virtues and defects, dreams and schemes. Now they have much firmer grounds to defend the real, credible Cuba, which lies at the crossroads of a thousand problems. Neither a (?centrist) paradigm or prefabricated dogmas will be necessary. Now we have many more brothers. They were not afraid of our difficulties. Rather, they saw the love that flowed from worn balconies in dilapidated and patched up buildings. In the middle of the march, we went back and forth between two images separated by a year, between the stones of hatred and the embrace of love. No longer will anyone be able to [words indistinct] the sea wall on 5 August because, no matter where, it is necessary for many people that Cuba can live. After what has been said, it will now be much more difficult to speak behind the back of he who spoke to him before the concert.

But duty cannot be avoided and here we are with special satisfaction. I interpret this Cuba Vive festival, which gathers us, to be a symbol of hope and conviction of past times. Despite 36 years of harassment, slander, and pressures of all kinds; despite economic embargo and political collapses; despite stubborn enemies and traitorous friends, and despite our own mistakes, you, youths of the world, confirm that Cuba lives. The dream of a better future for our peoples lives in this island. This dream we have not relinquished and will never relinquish. On this green cayman [alluding to the island's shape on a map] lives the revolution that the Cuban people made for themselves with great effort and sacrifice. An example of continued devotion to a cause, the likes of which is only possible to read in old history books or the Sacred Scriptures, lives here, although many people do not love us [words indistinct] and others deny us their blessing.

The most dissimilar feelings, from blind love to irrational hatred, are currently professed to Cuba. To those who hate us even to the death by conviction, we reaffirm, also by conviction, that we also deserve the right to live and, above all, that we are determined to defend this life and this right, no matter the cost. The most we can feel for those who hate us just because someone told them or they read somewhere that we are the fifth hell, not knowing even whether Cuba is a country in Africa, Asia, or the Middle East, is pity, not only for their ignorance, but also for their servitude.

However, we can understand that those who live in opulent countries, blinded by hundreds of different kinds of cheeses, will always have a difficult time to understand why in Cuba, with our plentiful hardships, can only guarantee a liter of milk a day for our children up to the age of seven. However, what amazes me greatly is that how on the verge of a new century, so much ignorance can prevail among those who boast leadership or the models that presumably set an example to the world.

[Words indistinct] friends like you worldwide, loyal friends who do not spare what they have to give it to us. We have friends who risk their skin, food, and blood to save this common hope; and friends who at times, honestly speaking, idealize us. There are other friends who, by trying to do what is best for us, sometimes give us a hard time. These are wrong friends who, with good intentions, ask us to dance in the wolf's mouth or do something to please those who only seek our ruin. We ask all of them, all of you, as goes a popular tune: To love us without fear and to love us the way we are. We are what others wanted to be, but trying to be ourselves, no more, no less. Consequently, as much as we need love, we need the respect and the trust of our true friends. I am aware, however, that understanding Cuba takes great effort.

My absolute inexperience as foreign minister has taught me enough lessons of how other countries view Cuba and how distorted Cuba's image is even in the eyes of those who love us. However, it also takes great effort for Cuba to understand events elsewhere, in a world we are currently being presented as a civilized and pluralistic model. Faced with the world of virtual realities we live in, it seems practically impossible to know which is the true image of things or what is really happening. For instance, every day we are preached about human rights lessons, statements, and agreements whose value is gauged in terms of someone's potential political gain. These people who are so concerned with human rights issues in Cuba that they do not skip a single international forum to condemn us are the same ones who choose to ignore how many human beings in the world — and many times in their own countries — have long lost the most basic rights of food and shelter.

Who worries about those people who, in the wealthiest and most cultivated countries, do not even know how to read and write the words human rights? Who worries about those human beings who are not aware they are human or much less that they have any right? We want to live in times of less selfish discourse and more actions of solidarity among human beings. I know many are concerned with the imminent economic crisis which we, Cubans, have dubbed as the special period, but I believe it is more amazing to see that very few people worldwide are actually well aware of the permanent crisis with a monumental special period being faced at this very moment and which has been faced for many years by hundreds and thousands of nations on this planet.

Of the most developed capitalism [applause], for instance, we should only see what publicity and marketing show us: the splendor of showcases and the neon lights. It does not matter if we know, or I should say, we should not know that behind this [one-second break in reception] and these neon lights, the wealthy are wealthier and the poor are poorer. [Five-second break in reception] Thus, the first major mistake is trying to judge Cuba from remarks published in a newspaper or disclosed by a television station, which almost every minute, intersperse advertisements of wonderful detergents with news of abject poverty being endured by black Africans as if the detergent could wash away the dirt left by the horror faced by an entire continent.

The other folly is to evaluate Cuba based on parameters that have nothing to do with our history, geographic position, or idiosyncrasy — or worse — to evaluate today's Cuba outside this conflict, which has lasted for more than three decades and which is mainly a national security problem for us.

Those who do not know that prior to 1 January 1959, the vast majority of this country lived a permanently recrudesced period, a much more formidable period, will never be able to understand why the Yankee mercenaries could not enter through Bay of Pigs. Much less why — despite all the economic shortages in this current period — our men and women, our working classes, continue to support and work for and with the revolution.

Those who know nothing about the Cubans' strong rebel character and joie de vivre, fighting spirit and sacrifices, and patriotism and dignity, will never understand why we laugh at our problems, why we work hard to solve them, or even why — although we laugh at ourselves — we never let anyone belittle or mistreat us. They will, definitely, never understand why we are convinced we will come out ahead with our own efforts and our own happiness.

Those who know nothing about Hatuey, the Indian, who was burned at the stake [by the Spaniards] and about the human beings who were hunted in Africa and turned into slaves in our land, will never understand why racial discrimination was banished forever from this country.

Those who know nothing about Marti's unfulfilled dreams, Maceo's machete, Mella's honor, Torriente's gift with words, the Almeijeiras brothers' daring; those who do not know that the blood of this nation's best sons ran in the streets every day or that a Yankee marine desecrated the statue of our apostle, will never understand why our roots are deeply embedded in our history so that we may never return to the past.

Those who know nothing about the generation of our centennial, the historical attack on the Moncada Barracks, the poet whose verses remain incomplete because he was brutally assassinated, the girl who was forced to watch while her brother was tortured and killed, and the young lawyer who turned his self-defense into charges against the tyranny that tried him, will never identify with the men and women who waged this revolution. [applause]

Those who know nothing about the Sierra Maestra brotherhood, Commander Cienfuegos and his ready smile, or the heroic guerrilla fighter who traveled to other lands to offer the cooperation of his modest efforts and to become a symbol in America, will never understand why the Cubans filled with heroism and symbols that mistreated African land which also nourishes our own blood.

Those who do not know that a young Moncada lawyer suffered imprisonment and exile but was capable of organizing an expedition to Cuba and confronting the most powerful army in the continent with a guerrilla group that began with 12 men; those who do not know that the man who has led the destinies of this nation for 36 years with humility, intelligence, and extreme humanity is the leading critic of the revolution, and when he makes a mistake he publicly admits it before his people.

Those who insist on not knowing that this man has always been in the front trench of sacrifice and does not (?want) a single cent (?for himself), only the wealthy love of an overwhelming majority of the Cuban people [applause], only the wealthy love of an overwhelming majority of the Cuban people [repeats himself], will never understand why Fidel is the undeniable leader of our people and why he already won, 36 years ago, the main elections in this country. [applause] [crowd chants: "Fidel, Fidel, Fidel!"]

Cuba was like a ripe and appetizing fruit given its privileged location and natural resources [words indistinct] hunger of powers, from the most brutal colonialism to the gunboat diplomacy that they are now trying to impose on the world from the nations that would like to be united.

For almost two centuries, compelled by its lust for the apple, the United States has tried to exercise control on our country. It displaced Spain in a war that was more braggadocio than bullets and it began a carnival of invasions, Marines, interfering pro-consuls, and turn-of-the century implementation of a perfect popular recipe which had an excellent combination of exploitation and subversion.

Illustrious cooks like Platt, Crowder, and Magoon imposed their recipe for half a century and, when things went awry in 1959, well known culinary experts tried to fix the dish — [name indistinct], Torricelli, and, recently, Helms and Burton, the brilliant chefs of worm food. If you pay attention, you will notice we are talking about an eatery with an menu in English — special food to fatten a North American eagle.

The only problem — and you have made sure of this — is that we like our local, Cuban creole food. It is a fact that, since we decided to make something different in Cuba rather than the recipe that was ordered throughout the continent; since we understood we had to raise our heads high rather than bow and scrape and say: Yes, sir [preceding two words in English]; since we chose the friends we wanted to have; since we were harassed and learned to survive and think for ourselves, we were compelled by the empire to live a genuine hell.

For the past 36 years, the world's strongest power has imposed its war on us. The inventory includes: diplomatic and political pressures; theft of genius; scientific and medical espionage; bacteriological warfare against human beings and our food resources; violent actions and terror against our planes and people; sabotage against economic and civilian facilities; explosions on passenger boats and planes; machine-gun fire against the population; violation of Cuba's airspace, naval space, and terrestrial space; armed infiltration; gangs of hired ruffians; spies; tens of murder attempts against our main leaders; a mercenary invasion; and even nuclear blackmail.

Hundreds and thousands of hours on radio and television are not enough to subvert the country and promote chaos and instability, which may justify an armed intervention. For three decades, a migration practice was encouraged, which they themselves used to turn Florida Straits into a cemetery.

However, this war's main and most deceptive weapon has been the economic, trade, and financial blockade along with its long and sad 35-year history: seizure of patents and trademarks; closing of ports and markets; persecution and threats against businessmen, financial experts, enterprises, and organizations; boycott of medications, medical and pharmaceutical information, and advanced technology.

What is even worse, while trying to subdue us, they have also hurt their own country's economy, politics, national dignity, and laws, and even their citizens' human rights, sowing a seed which like the Vietnam war might become a true national tragedy for the United States.

For those of you here today for these and other reasons and for all of which you have believed in us: you show with your presence and gestures that true friends are known at difficult times. This is a crucial moment for Cuba when not only its history is at stake, but its own survival as a nation. You who have seen us and have lived with us for several days would have realized that we are not as we are depicted, or as good as we would like to be, or maybe as someone has dreamed.

The road we chose is new and, as everything new, still is difficult and different. It is not perfect. Even more, we do not want it to be perfect. It would be the most boring thing in the world to live in a perfect country where there is nothing to discuss, compare, laugh at, cry about, or get outraged. I believe that we could not even think. Fortunately for all, we are imperfect. We are pluralists and very diverse in our so criticized unity. This very unity, which is our democracy's main defect according to the recipe-makers, is at the same time according to our historical experience the only way of survival for a small and poor country like ours.

For our enemies, the ideal thing would be to see us separated and divided, and therefore, now they promulgate as a condition to pardon our lives that we return to a multiparty system. What they really want is to see us divided, and all of this is set forth as a condition to normalize relations. Let us say it clearly: Cuba is not against normal relations with the United States as long as (?principles) of good neighbor and respect prevail, and all excuses are no longer fabricated to keep this historical dispute latent. Because each time any of these excuses is overcome, a new one appears. As a poet once said, it is like a dream [words indistinct] you kill one [words indistinct] much more hell and indigestion.

For instance, it is very easy to blame now the Cuban Government for the economic difficulties the country is undergoing as if none of these difficulties had to do with the collapse of Socialism in Europe or worse, with the blockade the United States has imposed for over three decades.

Cuba has demonstrated more than once that it is in fact a serious and civilized country, constituted as a de jure state with an honorable government which meets its obligations [words indistinct] civil integrated by active nongovernmental organizations which are consciously working for the nation's well-being with an intelligent and dignified people who do not fear the challenges life imposes.

There is evidence of all of this and the world knows it, although there are blind individuals who do not want to see it. Moreover, even worse than these blind individuals who do not want to see, are those who are blind out of conviction.

The recent migration agreements between Cuba prove that both countries can resolve their differences without mediators, respectfully and on equal terms at a negotiations table. I also hope that, as it is now being said, there is more than one path for understanding between both nations, including the secret way. However, friends, none of this is real. While Cuba offers more resolve for peace, coexistence, respect, and tolerance, the United States offers harassment, subversion, blockade, slander, intolerance, and irrationality. While we all celebrate the reasons why Cuba lives, knowing it is loved by and admitted in to the international community, [words indistinct] try to make this country blow up and sanction free nations which, out of their own resolve, respect the Cubans' choice although they do not share it and have normal relations with us.

Even if this madness was not approved, what is also being discussed is not a change in policy, but to pass into the so-called second lane of its predecessor: the sadly well-known Torricelli Amendment, with the same goal of subduing us with hunger and disease, and its same interference regarding the rights of other sovereign countries.

As I have repeatedly said, the object of discussion is not whether they will stop cutting our heads, but how and what they will use to cut it. Earlier, they cut our heads with an old and blunt knife. Now, they want to use an antiseptic razor or a scalpel. This is a new superformula to kill us in a cleaner manner, with less pain and blood, and sparing us a possible infection.

Currently, there is talk of letting some food and medicines into Cuba, always in the hands of good Samaritans who are always available and who very often give their charity in exchange for something. There is also talk that travel regulations for U.S. citizens and selected Cuban emigrants will become more flexible, perhaps so that they can show us their American way of life [previous four words in English], which is not as purely American anymore and much less can their lives be considered as such. Finally, they are kicking up a row about promoting a cultural, academic, scientific, and informative avalanche, which they already predict will be irresistible, a new sort of politico-cultural AIDS.

This campaign is not about sharing the many good or bad aspects that pervade U.S. society, but it is about subjugating and trying to corrode us inside. Formerly, they took our genius; now, scientifically speaking and in biotechnological terms, they seek to reconvert them.

They do not only want to make us aware of everything they believe we ignore, but they also promote many exchanges and grant scholarships for courses on capitalism, graduate studies on democracy, and conferences on neoliberalism and multiparty system so that our uncultured minds [five-minute break in reception] so that our uncultured minds return to Cuba prepared for the presumed transfer of systems that, according to them, is overdue here.

There is more: now they are asking for [words indistinct] on 20 August 1994. It resembles grown-ups' patronizing of children's intelligence when they tell them that if they promise to behave, the adults will lift an unfairly imposed punishment.

Friends: The road to hell is paved with concessions and not with good intentions. They are now offering us — as they have done throughout modern history — plastic carrots to beat us with real sticks later on. If the United States really wants closer ties with Cuba and wants to help the Cuban people, it should demonstrate its intentions with concrete actions and not with subterfuges to stab us on the back. If the United States truly wants Cuba to receive medicines and food, information and culture, and even to become more broad-minded and tolerant, all they have to do is lift the blockade and not disguise it as a grandmother, as was the case of the wolf in Little Red Riding Hood.

We must make it clear that despite all the turns U.S. politics has taken and may continue to take regarding Cuba, our country cannot only resist, but it can also move and survive. The Cuban economy is recovering for a second consecutive year; investments are on the rise; solutions are emerging for new social problems; and efforts are being undertaken to uphold achievements such as those in the areas of health, education, science, and sports.

We are moving through the ups and downs of international politics and if we experienced the unfortunate privilege of seeing the world collapse, we have also experienced the privilege of seeing the world being able to rise.

We enjoy too much the charm of our mixture of European and African blood, with all its Latin American and Caribbean embellishments. As I have said on previous occasions, life has endowed us with Asian patience to endure the challenges we have faced since our birth as a nation. Same as in sports, where, despite discussions, we hold records for the high jump and the long jump, Cuba wanders in the world it has to live in [words indistinct] in today's world.

Now more than ever, the great Latin American and Caribbean nation is on our side. The influential NEW YORK TIMES remarked recently that Latin America is ignoring Washington more and more every day. The unanimity that is surging in the hemisphere has left U.S. diplomats agape in the face of the tide which is turning against U.S. policy. I can only add, that today our nation thanks all its brothers throughout the world who listened to the call [word indistinct] of Cuba, for hope, and for civic spirit.

Today, countries not only vote in the United Nations against the war in Cuba, but also defy it. They visit, conduct trade, and invest in Cuba. Every day more countries have the dignity and courage not to humble themselves and render accounts to anyone regarding their free and sovereign relationship with Cuba.

Dear Friends, Cuba does not believe it is, nor does it want to be the center of the world. Our economic and social-democratic plan is not a showcase. We are not ashamed of wanting tropical socialism for our country, as Creole and as Cuban as its palm trees, and as perfect as the men and women who are building it.

We are not paranoid to shut ourselves from trade [words indistinct] [applause] [words indistinct] imperialism and hegemony. We are absolutely convinced that we are not going to keep silent while there is an attempt to impose a neo-liberal model and a conservative [word indistinct] on the world which further separates the poor from the rich and makes the powerful like puppeteers capable of handling our people with strings.

We are not going to stop condemning the monstrous international decisions to hand out food with cannons, and to impose war in the name of peace and democracy. [applause] We will never grow tired of denouncing that what they intend to do to Cuba is merely a rehearsal of what will happen to the rest of the nations of the world, if this madness is not stopped in time.

We believe in the goodwill of people, in solidarity, and love between human beings, in the fair and most equitable distribution and socialization of the fruits of development and man's ingenuity. These, not others, are the values which should dominate the life of the beautiful, but ill-treated planet which we inhabit.

Cuba can ensure this, because if it has always nurtured itself with feelings of shared and given solidarity, and because we have made that divine commandment "love thy neighbor," which was only reserved for the kingdom of heaven, a reality in this world and this island. I know that in our [words indistinct] love for all, we are attributed, or credited with having extraordinary merits. There is nothing extraordinary about this. We have only been honest and loyal, nothing we have done has been done in search of fame.

Now, since we have gone this far, we are not going to stop here. We want to return and multiply through our resistance and our triumph, the enormous embrace you have given us in today's visit [applause]. These days of [word indistinct] and hurricanes which make our existence more intense.

Thanks to our Cuban youth for this new flame which quickens our nation with new enthusiasm. We shall continue to perfect the common work with renewed enthusiasm. We shall continue to make changes, but not like those who made so many changes [applause] [words indistinct] themselves. That will not happen here. [applause] There will be no changes in Cuba to please outsiders. Above all, we are very interested in pleasing those who live in Cuba.

Once again, we reiterate to you, as we only do among our real friends, our promise to continue to build a more humane, free, democratic, modern, more just, but above all, more revolutionary society.

This is a message which Cuba sends to the world. A message which says: we want to live, let us live, we are — by all possible means — going to live, and we will continue to live. We will live despite the propaganda which [word indistinct] us, of the persecution of our trade, and the choking of our economy. We will live despite our human weaknesses. We will continue to live, dream, and work, to prevent hatred and vengeance from returning to this island of hope.

As another contemporary poet once said:

Neither a false friend, nor one who nourishes [word indistinct] and torture, nor the cold-handed petty thief, nor the terrible hard-faced Don Juan is going to stop it.

Neither enemies, nor the attentive intimidators who receive praise, neither green nor rotten bureaucrats will stop it, nor heirs, nor mistaken apostles.

Neither [word indistinct] kings, nor newspapermen, nor old comedians, nor liars will prevent it, nor law students, nor alchemists.

Neither generals, nor adorable subverted damsels, nor judicial processes subject to appeal, will stop it.

The [words indistinct] will not prevent it. Despite the years, we will grow.

And I would add: despite the years we will live, and despite all [words indistinct] we will prevail. Thank you very much. [applause]

Alarcon on People's Unity Around Revolution

PA0508042895 Havana PRENSA LATINA in Spanish 2308 GMT 4 Aug 95

[By Alejandro Gomez]

[FBIS Translated Text] Santa Clara, Cuba, 4 Aug (PL) — Ricardo Alarcon, president of the Cuban parliament, said here today: The people's unity around the revolution and its leaders has allowed us to resist the United States' aggressions and harassment for more than three decades.

He said: Cubans hoping to protect the motherland amid the difficult conditions prevailing in the country "cannot afford the luxury of allowing the divisions that cost our parents and grandparents so much."

"That is the origin of today's revolutionary unity," the parliamentary leader said while participating in a debate on "Democracy and Participation" at the "Cuba Lives" international youth meeting, which is under way in this city.

He said the experience acquired in the struggle for independence and national sovereignty throughout history became the basis for the idea of a single party that "encompasses all the Cuban patriots and revolutionaries."

"Cuba has not built a society model or paradigm that must be imitated and implemented everywhere," he said, adding "what we can assert is that Cubans are masters of our own destiny."

He said the revolution has done much to achieve the people's effective participation in the government, but that would be impossible without socialism, because "there is no true democracy without true socialism."

Alarcon said that to achieve this goal, first of all "people must be emancipated and liberated from exploitation, servitude, and lack of culture in order to establish the groundwork allowing their effective participation."

Answering some delegates' questions about freedom of expression, Alarcon said this principle is an important one, so its exercise cannot be restricted to "an illustrious or privileged minority."

Strictly speaking, it would be plutocracy rather than democracy, meaning "the exercise of authority by the rich for the rich rather than the exercise of authority by the people for the people."

The delegates concluded on Friday the debates on democracy and participation carried out in central Villa Clara Province, one of the secondary sites for the seven topics analyzed by youths who attended the forum.

Alarcon Addresses Festival Participants on Literacy

FL0508020695 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 5 Aug 95

[From the "NTV" newscast]

[FBIS Translated Text] Ricardo Alarcon, National Assembly of the People's Government president, addressed the final meeting of Cuba Vive Festival participants, in Villa Clara Province:

[Begin Alarcon recording] Representative democracies in the Americas, societies which are supposed to be freedom of speech's ultimate advocates, have promised the illiterate masses that illiteracy on the continent will be eradicated. They made such a promise in Punta del Este 25 years ago. If I remember correctly, they pledged to eradicate illiteracy by the year 2010. Some specialists here can perhaps confirm this date. Well, if the prediction becomes true and illiteracy is finally eradicated from the American Continent by 2010 — and I hope that it also happens in the United States, which has many illiterate people...[pauses to allow for applause] by that time, we will be celebrating the 50th anniversary of the end of illiteracy in Cuba. [end recording]

Young delegates of 28 nations participating in the meeting also agreed to hold events similar to the Cuba Vive festival to bolster solidarity with Cuba .

Labor Minister Cited on Island's Work Force

PA0608010295 Havana Radio Rebelde Network in Spanish 1700 GMT 4 Aug 95

[Report by Jose Cabrera Peinado in Pinar del Rio Province; from the "National Radio News" newscast]

[FBIS Translated Text] During a plenary session of the delegation that is discussing employment issues worrying the world's youths, participants met with Salvador Valdes Mesa, labor and social security minister.

The minister said Cuba was compelled when the revolution triumphed to face big and complex tasks, including the need to find jobs for more than 600,000 unemployed people and approximately 200,000 underemployed people.

Valdes Mesa added in his introductory statement that although the 1980-1990 decade is known as the lost decade in Latin America, this small island's work force increased by more than 1.2 million.

Cuba's labor and social welfare minister said the country has almost 1 million professionals and technicians, adding that despite the prevailing serious economic problems, compounded by the disappearance of the Socialist Bloc, the Cuban state protects with subsidies the employees of work centers paralyzed due to the lack of raw materials and other supplies.

Salvador Valdes reasserted the continuation of a firm policy regarding the preparation and training of youths in universities, polytechnic schools, and other schools.

Representatives of Italy, Canada, the United States, and other nations participated in the debate. The Solidarity With Cuba Plan will be inaugurated this afternoon, and the farewell ceremony will take place following a protest against the blockade.

Livestock Minister Discusses Natural Fences

FL2807022195 Havana Radio Rebelde Network in Spanish 2300 GMT 27 Jul 95

[Interview with Engineer Jose Hernandez, vice minister in charge of livestock in the Agriculture Ministry, by reporter Diosdado Maso; from the "Exclusive" program]

[FBIS Translated Text] [Maso] The issue of unpenned animals on the roads and cattle eating sugarcane has recently been addressed by the press on several occasions. It is worthwhile to resume the topic in the company of engineer Jose Hernandez, who is in charge of livestock in the Agriculture Ministry, and who everyone calls Pepe. Cuba once used over 100,000 km of barbed wire annually, but it seems there is a shortage nowadays. Is this true, Comrade Vice Minister, or is the real problem lack of discipline?

[Hernandez] It is currently impossible to buy that amount of barbed wire, due to the currency shortage. We are therefore working to revive the use of natural fences, as in the past. They are generally made of prickly plants, such as thistle and [pina de raton] in western provinces, or [maya] in eastern provinces, which work well to contain cattle.

Cuba has made great efforts to purchase 65,000 km of barbed wire in 1994, despite severe currency limitations. We need even more barbed wire — approximately 100,000 km annually. We had only 4,200 km of barbed wire available in Cuba in 1993.

[Maso] There are also reports that large quantities of the barbed wire used in agriculture are often stolen by unscrupulous people. Is this true?

[Hernandez] The development of several [conucos], self-sufficiency, and so on, has created a theft problem. This problem exists, but we are struggling to put a stop to it. Last year the Agriculture Ministry planted over 2,500 km of live fences nationwide, particularly in Holguin and Las Tunas. The use of live fences is not yet widespread in western provinces.

Tourism Workers Assume Struggle To Combat Corruption

PA0508192595 Havana Radio Rebelde Network in Spanish 1700 GMT 29 Jul 95

[Report by Jesus Diaz Noyola from Matanzas; from the "National Radio News" newscast]

[FBIS Translated Text] Yesterday, while scheduling the First Congress of the National Union of Tourism Workers [Sindicato Nacional de los Trabajadores del Turismo], representatives from all across the country gathered in Varadero, where they assumed with honor and dedication the fight against all forms of distortion and the struggle against corruption and crime. This responds to the call made on 26 July by Commander in Chief Fidel Castro to wage a colossal struggle against these trends before they become a cancer that devours the principles and spirit of the revolution.

The First Congress of the National Union of Tourism Workers was slated for 28 October in Havana. The creation of the National Union of Tourism Workers, which already has more than 60,000 members nationwide, is the result of a decision made by the Cuban Workers Federation, taking into consideration the magnitude and complexity of this sector, its growth, and its impact on the country's economic and social development.

The convocation of the first congress will require the tourism sector to apply new concepts, greater discipline, and appropriate professionalism and remuneration in the search for increased revenues for the nation's economy. In the battle against distortions and corruption, tourism workers are also responding to Fidel.

Cement Workers Write Castro on Production Line

FL0508021495 Havana Radio Rebelde Network in Spanish 2300 GMT 4 Aug 95

[Report by Cienfuegos correspondent Mirella Ojeda; from the "Exclusive" program]

[FBIS Translated Text] Workers at the Karl Marx cement enterprise, in Cienfuegos, have written Commander in Chief Fidel Castro to report that the enterprise's second production line will be completed shortly.

One paragraph reads: Comrade Fidel, we would like you to consider this line our gift to you on your upcoming birthday — 13 August — and to let you know that construction efforts will not held up for even one minute waiting for our cement.

The Karl Marx workers, motivated by the commander in chief's words last 26 July in Guantanamo, affirm their commitment to putting the plant into operation and overcoming difficulties in producing up to 300,000 metric tons of cement in 1996.

Manuel Menendez Castellano, Cuban Communist Party first secretary in Cienfuegos Province, reaffirmed at the close of the ceremony the trust placed in the Cienfuegos cement workers.

Work Brigades Leader Comments on Work by Student Groups

PA0508192395 Havana Radio Rebelde Network in Spanish 1700 GMT 2 Aug 95

[From the "National Radio News" newscast]

[FBIS Translated Text] While important issues are being discussed at the international Cuba Lives festival, Cubans continue to live and work, Otto Rivero, the head of the Student Work Brigades Command Staff, has informed reporter Ulises Hernandez.

[Begin Rivero recording] We have mobilized 71,000 students in the country to date. The 71,000 students come from every province in the country. It also is important to underscore that more than 3,000 professors have mobilized along with these students.

This year, they have been distinguished with the first place and the students' response [words indistinct] of the only class in the country. This means we have had an important increase [words indistinct] in self-help centers to advance nutrition [words indistinct] and further health [word indistinct].

Now, in August, we will be able to maintain clinical work in hospitals with the help of medical students, based on work done together with [words indistinct] and that had been promised by the FEU [Federation of University Students] and (FEN) students and the youth [words indistinct].

This, as I said previously, is the first time this is being done, and it will take place in the month of August. Another important point is the tasks they are carrying out during the sugarcane harvest, [words indistinct] students [words indistinct] an active role that started in the month of July. [end recording]

Commentary Views First Anniversary of 5 Aug Disturbances

PA0608000595 Havana Radio Havana Cuba in Spanish 0000 GMT 5 Aug 95

[Commentary by Norberto Hernandez Valdez from the "Evening Information Review" newscast]

[FBIS Translated Text] One year has passed since the 5 August events in Havana when groups of antisocials staged antirevolutionary disturbances along the waterfront, throwing stones against buildings and passersby, followed by the television cameras of certain foreign news correspondents who were avidly seeking to send abroad images of the first demonstrations of counterrevolutionary insurrection in the Cuban capital. Those facts followed the incidents that had occurred days before at the Bay of Havana when several port service launches were seized by individuals who planned to emigrate illegally to the United States. The unfortunate sinking of the tugboat Trece de Marzo, loaded with illegal emigres, some of whom died, had already occurred.

The street demonstration was rapidly quelled by an enormous crowd, headed by President Fidel Castro in person, that arrived at the scene. The rowdy demonstrators scattered, intimidated by the gigantic arrival of people who chanted revolutionary slogans and cried vivas to their supreme leader. The adjoining areas of the avenue along the Port of Havana were virtually taken over by the people in what has been justly described as a great victory of the people. The counterrevolutionary propaganda and ultrarightists tried to take advantage of the incidents, to mount a huge, slanderous campaign against Cuba abroad, and to justify the economic blockade Washington has imposed against this island with the purpose of having it surrender and being subordinate to the hegemonic interests of the United States.

Those who lived the 5 August 1994 incidents in Havana created conditions to force the revolutionary government to take forceful measures and to unleash fierce police repression. They had not counted, however, on the majority support of the peoples of the Cuban revolution, the decisive participation of the masses, and the vigorous and stimulating presence of President Fidel Castro amid the disturbances willing to share the danger with his fellow citizens. It was, undoubtedly, a great, moral victory of a dignified and fighting people who know what they are defending.

This first anniversary of those events will be commemorated with a gigantic, rousing march down the avenue along the Port of Havana, where the episode occurred, to vehemently protest against the economic blockade the U.S. has been maintaining against Cuba almost since the outset of the revolution and to reiterate once more Cuba's great truth that its enemies try to ignore and hide: that the revolutionary government and its president are in power by the will of the people as expressed not only at the polls but by directly confronting the aggressions of the enemies both in and outside the country.

Those who wanted to see the people in the counterrevolutionary incident last 5 August did see the people, but they were standing alongside their commander in chief, confronting the rowdy demonstrators. This 5 August, one year later, they will again see the Cuban people out on the streets, denouncing the enemies of the fatherland and condemning the criminal blockade Washington can no longer justify and for which it is receiving increasingly broad and firm international rejection.

The enemies of Cuba who were dreaming of a politically hot summer in this country will be defrauded. The country is gradually emerging form its most difficult moments, through its own efforts and with the sustained and firm support of the most progressive forces of the world. The Cuban cause must triumph and will triumph, because right and reason are on its side.

TRABAJADORES Looks Back at Last Year's Demonstration

PA0308153495 Havana PRENSA LATINA in Spanish 0917 GMT 31 Jul 95

[FBIS Translated Text] Havana, 31 Jul (PL) — The newspaper TRABAJADORES today reaffirmed that the counterrevolutionary demonstration of 5 August 1994 became a big victory for the revolution, an occasion in which "the people and Fidel (Castro) were the champions."

In an editorial, the organ of the Cuban Workers Federation states that on 5 August, the members of this federation will "proudly march on the streets we knew how to defend one year ago," a march convoked by the Union of Young Communists to repudiate the ongoing blockade the United States has maintained against the island for more than 30 years.

In recalling the events, the newspaper reminisces that "order was reestablished very quickly, no weapons were used, no one died." "It was the people," the newspaper notes, "who resolved the situation."

TRABAJADORES adds: "It was made clear then that every time the lumpen or any other enemy of the revolution may try to serve imperialism, there may be other 5 August-like responses and a sea of combative people may come forth."

The newspaper adds: "That day's events elicited from the Cuban Government a vigorous answer that forced the U.S. Administration to change its traditional policy of encouraging emigration" and "ever since then, Miami's counterrevolutionary mafia — the most annexationist and terrorist sector (...) [as received] — has been losing influence and prestige."

"Following 5 August," TRABAJADORES insists, "the combative spirit of the Cuban people was bolstered because the people clearly saw the enemy's intention to destabilize the country and to open an interventionist path that would have unforseeable consequences."

The newspaper believes that what happened that day "undoubtedly has much to do with the revival of the revolutionary spirit evident in Cuba now."

TRABAJADORES admits "there were moments when it seemed like the weight of huge difficulties was stifling enthusiasm and the conviction of only a few who confused the principles of resistance with resignation and passivity."

Editorial Report on Second Anniversary of "Straight Talk"

FL0408161295

[FBIS Editorial Report] Havana Radio Rebelde Network in Spanish at 1600 GMT on 2 August 95 carries its regularly scheduled "Straight Talk" program with host Osvaldo Rodriguez and guest Luis Sexto from TRABAJADORES Magazine.

Rodriguez opens the program by pointing out that 2 August marks the second anniversary of the "Straight Talk" program. He invites guest Luis Sexto, who appeared on the first program, to discuss the best and worst of "Straight Talk". Sexto acknowledges that with time he overcame his nervousness about speaking on the radio. He recalls that legalization of possession of foreign currency was the theme of the first show, stressing the program's role of increasing public understanding of issues. Sexto states "our program's role has been that of an analyst who seeks not to convince people that what we are saying is the truth, nor an authoritarian assertion of truth, but rather to try to provide perspectives that enrich the citizens' thinking so they can arrive at a more complete, clear appraisal."

Rodriguez adds that the program began with the objective of encouraging public debate on issues. Sexto concurs, adding that the title may seem "a little presumptuous" and falsely suggests the program participants' unique ability to interpret the truth. Sexto states that "politics is not a matter of little lies and subterfuge, but a matter of truth and clarity". Rodriguez suggests that the program departed from accepted methods of analysis that existed at the time, and states that some people, friend and foe alike, had accused them of "opposing official policy." Sexto responds by quoting fellow commentator Julio Garcia who said the program seeks "not to stir up problems but to help resolve them."

Rodriguez recalls that Juan Carlos Roque created "Straight Talk", praises his effectiveness, and notes that he will resume hosting the program when he returns from abroad.

Sexto states that "Straight Talk" "has not opposed official policy, nor is it, as some say, an official government program." He describes it as a patriotic program, stressing the journalistic professionalism of the team producing the program. He goes on to say the objective is not to highlight weaknesses in Cuba, but the opposite. Sexto says "we do not defend the official position, however, our views and beliefs coincide with the principles that govern this nation. We defend independence, social justice, and the Cuban Revolution, therefore, the program is not about straight talk to oppose independence, social justice or the Cuban Revolution. It is about straight talk to increase understanding of the changes the Cuban Revolution is undergoing today." Rodriguez points out the program defends community interests. Sexto concurs, indicating they are defending "Cuba's sacred interests" which impact the nation's very existence, noting that independence is a principle of the government and the Communist Party of Cuba; and by defending independence, they are in that sense official arms of the government. Sexto goes on to say "on the program we speak with complete freedom, no one has ever told us what we must to say, nor do I believe that anyone in this country would dare to tell us what we must say. We feel complete respect. Although we have always felt approval, we have sometimes felt disagreement, not only from listeners but also from other sectors of society."

Rodriguez asks Sexto to discuss the program's faults and virtues. Sexto concedes the difficulty in judging one's own work, and states "I think our greatest fault is that sometimes we have been a little imperious in our assertions, we have not allowed for the nuances." Sexto goes on to note that the program's greatest virtue is that it has been the "voice of experience" throughout the period of problems and "economic crisis" in Cuba. He adds "we have been the voice of hope, we have tried to identify positive signs in a depressing reality." Rodriguez interjects that they have been accused of being overly optimistic, and of receiving special favors. Sexto indicates he does not wish to discuss their private lives but states that their families have "suffered the same privations as the majority of Cuban citizens"; he denies "negotiating with their job". Sexto then expounds on the importance of moral resistance and his hope for saving the nation.

Rodriguez states that "Straight Talk" has always been an optimistic program aimed at reminding everyone that hope is a "palpable reality." Sexto points out the two percent growth in the Cuban economy recorded in the first semester of 1995 confirms their optimism is well-founded, and adds that the public should understand that more growth is necessary to reflect improvements in the standard of living. Rodriguez comments that quality of life had improved, citing reduced number of blackouts this summer. Sexto points out that they support the gradual nature of the economic changes to "avoid social trauma in Cuba", noting that they have also criticized such negative things as "passivity, corruption — things that contradict the most important, basic interests of society." Sexto states that another of the program's faults is that "we have not always gotten to the bottom of the issue in our evaluations," adding the reason to get to the bottom of an issue "is not to be destructive; this is the objective of an enemy's program, an enemy often tells lies to be destructive. We attempt to tell the truth, to arrive at the complete truth, in order to be constructive. That is what differentiates us from them." Rodriguez asks what the party's policy has been on this issue. Sexto replies that the party "has tried to start and establish a climate of debate, discussion, and free thinking in our country, and we have operated within this rationale." Rodriguez concludes the program by concurring that "Straight Talk" has nurtured hope and struggled against that which threatens it.

Roundup of Politburo Members' Activities

FL0708120895

[FBIS Editorial Report] The following is a compilation of reports on the activities of Cuban Communist Party Central Committee Politburo members monitored through 6 August.

Pedro Ross Leal praised the human and revolutionary principles of Cuban workers who donated almost $500,000 to the Cuban cancer program from January to June. The restaurant, commerce, transportation, and communications unions — which include workers who receive tips — have contributed the most out of all the sectors, while Villa Clara and Holguin Provinces have contributed the most out of all the provinces. (Havana Radio Rebelde Network in Spanish 1155 GMT 1 Aug 95)

Pedro Ross Leal has met members of the 26th contingent of the Venceremos Brigade from the United States at the Juan Antonio Mella international camp, in Caimito Municipality, Havana Province. Ross Leal stressed that the Cuban Revolution will survive because Cubans are united in defense of their accomplishments. (Havana Radio Rebelde Network in Spanish 2300 GMT 2 Aug 95)

Abel Prieto participated in the "Cuba Vive" Festival cultural commission's final meeting, where he highlighted cultural advances which have taken place in Cuba despite the special period. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 5 Aug 95)

Abel Prieto and Maria de los Angeles GARCIA have presided over a ceremony at the Academy of Sciences, in Havana, marking the centenary of Friedrich Engels' death. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 5 Aug 95)

Julian Rizo bestowed the Pisto Manchego Award of Distinction on correspondent Barbara Suarez Daval at a ceremony in Camaguey recently. The Cuban Journalists Union gives out the award annually. (Havana Radio Progreso Network in Spanish 1100 GMT 31 Jul 95)

Jose Ramon Balaguer has helped open a psychiatric hospital in Bayamo. (Havana Radio Rebelde Network in Spanish 2300 GMT 28 Jul 95)

Candido Palmero praised 16,000 Havana residents for volunteering their vacation time, showing their determination, and proving productive in various weeding and planting campaigns. (Havana Cuba Vision Network in Spanish 0000 GMT 1 Aug 95)

Esteban Lazo has met leading officials from the Union of Young Communists, the Committees for the Defense of the Revolution, the Transportation and Interior Ministries, and the Cuban Workers Federation on organizing the "Cuba Vive" Festival youth march for 5 August. (Havana Radio Progreso Network in Spanish 1100 GMT 3 Aug 95)

Alfredo Hondal Gonzalez and Nelson Torres participated in the main ceremony marking the Youth Labor Army's 22d anniversary, in Ciego de Avila on 3 August. (Havana Radio Rebelde Network in Spanish 2300 GMT 2 Aug 95)

Haiti

Legislature To Decide on Aristide's Term Extension

PA0708220795 Port-au-Prince Signal FM Radio in French 1700 GMT 6 Aug 95

[FBIS Translated Excerpt] The 46th Legislature will have to decide during its first sessions on the extension of President Jean-Bertrand Aristide's term, says the coordinator of the 10th Department, Father Gerard Jean-Juste.

According to the representative of the Haitians living abroad, this idea is widely supported by that community. Whereas President Aristide has always announced his decision to withdraw at the end of his term in compliance with the Constitution, Gerard Jean-Juste thinks this action would be equivalent to disrespect for the wish of the Haitians.

[Begin Jean-Juste recording, in Creole] Well, it is a phenomenon that I have noted everywhere, in the 10th Department as well as in Haiti. Most people ask that President Aristide, who had lost three years, recover his three years. Three years lost, three years more. [previous sentence in English] So, three years lost, three years recovered. This has been my position for a long time. It is the position of many of our brothers in both the 10th Department and Haiti. I wish President Aristide to listen to us and the international community to hear the voice of the majority of the Haitian people. [end recording]

CEP Meets With Parties on Postponement of Elections

PA0808011795 Port-au-Prince Radio Metropole in French 1045 GMT 6 Aug 95

[From "The Morning Newscast"]

[FBIS Translated Text] The Provisional Electoral Council [CEP] met last Saturday [4 August] with a certain number of political parties.

While announcing that the partial elections have been postponed until next 13 August, the officials of the CEP indicated that steps were being taken in order to obtain the participation of all political parties in the electoral process.

FNCD Senator To Oppose Senators Elected 25 Jun

PA0808011995 Port-au-Prince Radio Metropole in French 1045 GMT 6 Aug 95

[From "The Morning Newscast"]

[FBIS Translated Excerpt] The opposition to the 25 June elections is being organized among senators still in office at the Haitian Parliament. Eudrice Raymond, National Front for Change and Democracy [FNCD] senator, asserts that he will oppose the validation of powers of those elected in the controversial 25 June elections. In the opinion of the former president of the National Assembly, the deputies and senators resulting from these elections do not deserve any better treatment than those of 18 January 1992 [as heard]. Listen to this report by Edner Jean:

[Jean] Senator Edrice Raymon, who is in a strong position because of the six-year term he received in 1991 as the first representative of the Department of the North in the 45th legislature, thinks he has the right to fully exercise his role of statesman in the institutional and political troubles the 25 June elections risk provoking in the country. The FNCD senator has announced that he is going to wage an implacable struggle against these elections within the framework of his constitutional duties.

Recalling his previous struggles against the officials elected on 18 January 1993 and the conditions under which this ballot was realized, Raymond declared that he has noted that there is no longer a difference in methods between the politicians of the right and of the left, once it is a question of keeping power. He says the 25 June elections have proved that the right has lost its monopoly on crooked dealing to the left and its clumsy practices. It is the country's institutions that they want to weaken due to political ideology, he says.

In fact, the former president of the National Assembly indicated that those who are already presented as the winners in the legislative elections are men known and honored for their position in favor of direct democracy. Eudrice Raymond believes that senators and deputies who come from these elections will have a well-defined mission, that of making the legislative power a vassal to the advantage of a strong executive.

[Begin Raymond recording, in Creole] [words indistinct] How can you imagine that people who say that the senators and deputies have no legitimacy and that only President Aristide has legitimacy, are those who have now come (?to act as) senators and deputies? If they become candidates for deputies and senators, it is not because they have changed their attitude toward the office of senator or deputy, but instead it is a way for them —

from a seizure of the legislative power.... [pauses] That will now allow.... [pauses] Because they say, anyway, their chief is President Aristide, as if President Aristide is something [as heard] belonging to a small group, a small clan, and is not president of the Republic.

Well, it is because they want to take power, to monopolize the legislative power, and to work toward the destruction of what is called the balance of the government, which should be demonstrated through the three autonomous powers. It is for this reason that they want to neutralize the legislative power so it does not have any control over the executive power and becomes a puppet (?power) that they have become senators and deputies today. [passage omitted] [end recording]

Zedillo Voices Satisfaction Over State Elections

PA0808021995 Mexico City Radio Red Network in Spanish 0000 GMT 8 Aug 95

[Report by Victor Manuel Subersa from Los Pinos Presidential Residence; from "The Night Monitor" newscast — live]

[FBIS Translated Text] The president of the republic on 7 August voiced his satisfaction over the elections in Aguascalientes, Baja California, Oaxaca, Veracruz, and Zacatecas. As you know, elections were held amid the most absolute calm. The president on this day telephoned PAN [National Action Party] member Hector Teran Teran, the virtual winner of the gubernatorial race in Baja California.

Besides congratulating him, President Zedillo asked Hector Teran Teran to start a new phase of collaboration based on respect between the federal and state governments in order to promote the development of the state of Baja California and the well-being of its inhabitants above any partisan interests and in keeping with the democratic mandate the two received through elections.

The chief federal executive said progress in Baja California is essential for the development of Mexico, and, thus, he is interested in establishing joint actions to promote projects and programs to give new impetus to state development with a long-term vision.

Ernesto Zedillo voiced his satisfaction over the enthusiasm and high turnout of the residents of Baja California in the 6 August elections and the civic-mindedness that was displayed.

This was an excerpt of Communique 397 issued by the General Media Directorate of the Presidency of the republic.

PAN Becomes First Political Force in Baja California

PA0708222995 Mexico City NOTIMEX in Spanish 2058 GMT 7 Aug 95

[FBIS Translated Text] Mexico City, 7 Aug (Notimex) — The National Action Party [PAN] has become the first political force in the northwestern Mexican state of Baja California, since its candidate for governor maintains the lead in the elections held on Sunday.

According to figures given by the Preliminary Electoral Results Program [PREP], PAN candidate Hector Teran Teran, a 63-year old businessman, so far has 51.42 percent of the votes when 74.75 percent of the voting polls have been counted. Meanwhile, Francisco Perez Tejada, the candidate of the Institutional Revolutionary Party [PRI], is running second with 42.30 percent of the votes counted so far.

For a second time, the PAN — the second national political force according to last August's presidential elections — wins the governorship of Baja California that it will hold until 2001.

The PAN was able to retain the governor's post it first won in 1989 and which marked the beginning of victories in the states of Chihuahua, Jalisco, and Guanajuato.

Teran Teran will become governor after having run for that office in 1977 and 1983 when he was defeated by the PRI.

President Ernesto Zedillo today congratulated Teran Teran for his victory obtained according to the preliminary results announced by the local authorities.

During his telephone conversation, the president proposed initiating a new era of cooperation between the federal and the state government in order to promote the development of Baja California and the well-being of its people.

The elections held on Sunday took place in the states of Aguascalientes, Veracruz, Zacateca, and Oaxaca, where only the local congresses and city mayors were renewed.

In Aguascalientes, in the center of the country, 25 deputies and the members of 11 municipal councils were elected. According to the data by the State Electoral Council, the PAN garnered 53 percent of the votes and the PRI 31 percent, with 45 percent of the ballots tallied

The Party of the Democratic Revolution [PRD], the third political force in the country, got only 8 percent of the votes, whereas the Labor Party (PT) won 3 percent.

In Veracruz, located on the Gulf of Mexico coast, where 40 deputies of the local congress were elected, the representatives from the different parties reported voter absenteeism.

The State Electoral Council in central Zacatecas state, where 21 deputies and 56 mayors were elected, reported that the PRI was maintaining its lead with 41.6 percent of the votes tallied. The PAN received 41.3 percent and the PRD 8 percent. To date, local authorities have only counted 12 percent of all of the state's polling stations that were set up on Sunday.

In southern Oaxaca State, where 31 deputies and 570 municipal council members were up for elections, the electoral authorities had counted 42.65 percent of the polling stations.

The PRI was ahead of its rivals with 34.53 percent of the votes cast, whereas the PAN had 27.42 percent, and the PRD 19.45 percent.

Political representatives from the five states where the elections were held on Sunday concurred that the process was conducted in total calm and tranquillity.

PRI Leads Election in Veracruz State

PA0808022895 Mexico City Radio Red Network in Spanish 0000 GMT 8 Aug 95

[From "The Night Monitor" newscast]

[FBIS Translated Text] We have results of the congressional elections in Veracruz State with 82 percent of the more than 7,000 counted polling stations installed for the 6 August elections. The Institutional Revolutionary Party [PRI] is ahead.

Guillermo Zuniga, PRI leader in Veracruz State, has said his party has 54 percent of the votes, according to the votes counted so far. Although he has said there are no final figures yet, Zuniga has said the trends are keeping the PRI ahead of the PAN [National Action Party] and the PRD [Party of the Democratic Revolution]. He has said the votes cast led the PRI to victory in the 24 electoral districts.

Political Deterioration Seen in Chiapas

95CA0317A Mexico City LA JORNADA in Spanish 28 Jul 95

[Commentary by Luis Hernandez Navarro, adviser to the National Coordinating Board of Coffee Grower Organizations and researcher at the Center for Studies for Change in the Mexican Countryside: "Chiapas: Interior and Misgovernment"—received via Internet]

[FBIS Translated Text] The fifth round of talks in San Andres between the representatives of Interior, as the Chiapas Indians call the Interior Secretariat, and the EZLN [Zapatist National Liberation Army] has not yet begun, and the government's cards are already on the table. Making wide-ranging use of various mass media, they have charged that the Zapatists do not really want to negotiate but instead merely want to gain time. That is their script, and they do not seem to have deviated from it. On the first day of talks, which were interrupted by the presence of an episcopal commission, three bulletins from Interior charged that the rebels were seeking only to prolong the conflict artificially. On the second day they went even further and, in the diplomatic language of Ambassador Iraguas, accused the EZLN of not wanting peace, but "instead, of wanting to gain time to continue lying and hiding behind masks and in the mountains."

The Zapatist strategy during the new phase of the dialogue took another tack, initially. From the outset it sought to involve the commission of bishops in a more active role in the quest for peace. Afterwards, against a backdrop of troop movements in the region, in what is assumed to be actions to surround the Zapatist command (which is tantamount to kicking under the table), it insisted on bringing up the debate on detente once again. The Zapatists responded to the government's offensive to discredit them with a communique in which they specify their position on the charges that they have violated the Minimum Accord of 15 May. In sum, they say that the proposal to regroup the Mexican Army in a given area (along the roads) does not necessarily have to conform to the proposals which the government put forth, and that the commitment to take responsibility for order and public safety in keeping with the law does not mean that the Zapatists need to take charge of them. One day later, in light of Interior's aggressive tone, they again took up the invitation from PAN [National Action Party] to organize a direct meeting between the head of the secretariat and Deputy Commander (subcomandante) Marcos. The dialogue is at a standstill. The government's representatives insist that they are the ones who set the ground rules and the framework for the dialogue and that if the EZLN does not accept, it is because it does not want peace and is withdrawing its detente proposal. The Zapatists reaffirm that this is unacceptable, that they have no reason to submit to the government's demands, that the tone used by the other side is inadmissible, and that detente is the central issue.

At bottom, the situation can be explained as a technical draw between the two forces. The federal government has neither the military capacity (it has just relieved its troops in the region, and the jungle during the rainy season turns into a swamp) nor the political capacity (the president is conspicuously weak, the EZLN has strong support, and the civil demand for a peaceful solution is significant) to undertake a large-scale military solution in the short run. The EZLN does not seem to have enough military might either to chase the Federal Army out of the zone without starting a protracted war, and a strong social demand to exhaust the peaceful means of settling the conflict weighs heavily on it.

Meanwhile, the political breakdown in the state is worsening by the day. In the Soconusco, the estate owners have continued to organize and rearm groups of white guards; in the northern part of the state, rural guards made up of counterinsurgent peasants with military training and weapons exclusively for Army use have been organized; and the Chamula caciques are distributing weapons among their supporters.

Little by little the election campaign is heating up the atmosphere. The contenders have invested considerable resources in the battles for PRI [Institutional Revolutionary Party] nominations, including most prominently the distribution of DIF [System for Complete Family Development] food baskets. The non-PRI teachers have encountered new barriers to their chances of becoming candidates. National CNC [National Peasant Confederation] leader Beatriz Paredes has met with the Indian caciques from Los Altos to "tie down" commitments. If things continue this way, the elections will intensify political confrontation in the state this coming 15 October.

The battle within PRI for the state government is still one Ruiz Ferro is engaged in. It is a desperate effort to make people believe that he will remain interior governor, when he was actually put in that position to be sacrificed. Robledo Rincon's operators assert that he will return to occupy the post of which he was stripped. Dante Delgado, the central government's proconsul, who succeeded in dividing Adepech [Democratic State Assembly of the Chiapan Peoples] by offering to fulfill their demands, has broken his promises, one after another, and has heightened uneasiness and mistrust among almost all. The representative of Sedesol [Social Development Secretariat] in the state, who boasts of his closeness to President Zedillo, is pressuring the organizations to affiliate with the CNC to fulfill its demands. In short, the political class in Chiapas is exhausted, divided, at odds, and without replacements in sight.

In the meantime, the federal government has announced sizable investments in the state and has threatened to ignore the Zapatists in undertaking them. One high-profile investment is the La Canada program, in the territorial heart of Zapatism in the jungle. An indicator of the degree of coordination among government authorities is the fact that Ruiz Ferro and Sedesol have cited differing amounts of investment in the region. Moreover, as has been clear throughout the conflict, it cannot be resolved just with money. Without a drastic revamping of power relations in the state, the money that has been invested will be like making it rain in the desert. It may serve to gain some temporary support, but that is all. Without the region's communities and organizations, that is to say, without the Zapatists, there will be no development.

As time passes, the government's policy toward Chiapas is looking more and more disjointed and regressive. Chiapas society is breaking down rapidly, while the federal government tries out old answers to new problems. The abyss draws ever closer, and the attempt to turn the dialogue in San Andres into a door leading to the "surrender with dignity" of the EZLN is fueling the crisis and represents another step in that direction.

El Salvador

Communist Party Becomes 'Communist Faction' Within FMLN

PA0708193095 Mexico City NOTIMEX in Spanish 0248 GMT 6 Aug 95

[FBIS Translated Text] San Salvador, 5 Aug (NOTIMEX) — The Communist Party of El Salvador (PCS) the country's oldest political organization, today decided to become a "communist faction" within the Farabundo Marti National Liberation Front (FMLN).

The decision by the party with the most political experience in the FMLN was made during the Ninth PCS Special Congress held on Friday and Saturday in San Salvador with over 300 delegates in attendance.

The transformation of the PCS into a faction within the FMLN seeks "to continue the struggle to bring to fruition a democratic revolution with a socialist course as a higher objective," the resolution unanimously approved by the plenum stated.

From the late 1970's until 1994, the PCS was part of the FMLN, together with the People's Liberation Forces (FLP), the National Resistance (RN), the Revolutionary Party of Central American Workers (PRTC), and the People's Revolutionary Army (ERP).

The PCS decision fell in line with a decision by the FMLN to advance in consolidating a single structure in which the founding parties comprise factions to build a "pluralistic, democratic, revolutionary, and socialist" party.

The PCS decided that the current intermediate and rank-and-file leadership structures will be dissolved as each of the FMLN's conventions elects new municipal and departmental directorates.

According to the PCS declaration, a chosen team will represent and guide the Communist Faction. The team will also ensure FMLN members are effectively incorporated into the party and will administer PCS assets.

The former PCS decided also to voice its absolute support for the definitions regarding the kind of party the FMLN must be and abide by all the regulations that govern the existence and functioning of the factions within the FMLN.

The Communist Faction, just like the other factions of the parties within the FMLN, will have no decisionmaking structure at any level parallel to that of the FMLN.

Based on the recent overhaul of the FMLN last May, the Communists pledged to respect the unity of the political policy and actions of the organization and to strive to stimulate internal competition, give vitality to the political tasks, and expand its social base.

Guatemala

Deputy Soto Aguirre on Resignation From FRG

PA0708201495 Guatemala City PRENSA LIBRE in Spanish 4 Aug 95 p 2

[FBIS Translated Text] Deputy Arturo Soto Aguirre has said that telephone wiretapping, the barring of a deputy from entering the National Congress, the manner in which the preliminary hearings on the judges of the Supreme Electoral Tribunal, TSE, were conducted, and the fact that the Guatemalan Republican Front, FRG, is no longer headed by General Jose Efrain Rios Montt but by Deputy Francisco Reyes Lopez, are signs of the disintegration of that party.

Somebody had to speak out and say things clearly. It took me a long time to make that decision, even to leave the party, I could not take any more on this, said Soto, who also denied *that it was prompted by the candidacy of Mrs. Teresa Sosa de Rios.*

There were two FRG presidential tickets: Teresa Sosa-Harris Whitbeck and Arturo Soto-Gabriel Orellana. On this matter, Soto said: *At some time, these two tickets were discussed, but I want to insist that was not the reason why I left the party.*

I joined the ranks of the FRG because I felt it was made up of people inspired and guided by principles; I liked the fact that the party was founded on principles, but I believe that is no longer the case.

I told the general that I could not allow the violation of party rules because they were not taking me seriously. I discussed it first. The general said that he was aware of it, but I never saw him do anything about it. We did not have to discredit other political parties, but things were different, Soto said.

Arturo Soto believes the eight ethical principles of the FRG mentioned in that political organization's doctrine manual are not being complied with anymore. These principles are:

1. To treat your neighbor as you wish to be treated.

2. Do not judge and avoid tarnishing the reputations of persons, groups, institutions, or other political parties.

3. To steer clear of demagogic practices, observing the difference between discourse and action.

4. Do not demand more rights than those earned as a result of your work and fulfillment of duty.

5. To promote the necessary social, cultural, and economic changes for our country.

6. To avoid all types of discrimination.

7. To foster the self-financing of the party so as not to be subject to outside pressure or incur commitments.

8. To prevent unnecessary confrontation and controversy, but to face the challenges, difficulties, and attacks with the necessary stature, firmness, and bluntness.

If we only followed these postulates, we would be on the right path. I felt as though we were straying from this, the reason why when one looks at the letter I presented, the principles are the ones mentioned, he affirmed.

Nicaragua

Cuadra Announces Joint Actions With Regional Armies

PA0708174495 Managua Radio Nicaragua Network in Spanish 1130 GMT 3 Aug 95

[From the "620 News" newscast]

[FBIS Translated Text] Nicaraguan Army Commander General Joaquin Cuadra reported yesterday that Nicaragua reached important agreements with the Salvadoran Army after he met on several occasions with the Salvadoran president and with Defense Minister General Humberto Corado.

At a news conference, Gen. Cuadra announced that Nicaragua will carry out joint actions with the armies of other countries to remove mines and to fight drug trafficking, among others. Gen. Cuadra added that Nicaraguan soldiers could be trained in the Republic of Chile thanks to the good relations that Nicaragua maintains with southern cone countries. He noted that Nicaragua could appoint military attaches to other republics whose armies are represented in Nicaragua.

Panama

Labor Reform Law Developments on 7 Aug Viewed

President Urges Acceptance of Reforms

PA0708151895 Panama City Telemetro Television Network in Spanish 1230 GMT 7 Aug 95

[FBIS Translated Text] President Ernesto Perez Balladares has reiterated his call to those who are opposed to changes in the economic structures and who have rejected dialogue. He urged them to reflect in order realize the transformation of the Panamanian man into the man of the next century in order to live in a peaceful, independent country with job opportunities for all.

[Begin Perez Balladares recording, broadcast in progress] ...where we will be transformed into Panamanians of the 21st Century, so that together we will have a new vision of a Panama united in its objectives, a Panama where all those who have the opportunity will work harder for those who have less, a Panama whose government will care for the humble and the poorest among the poor, a Panama of dialogue and concerted efforts, a Panama that left behind the things that separated us and a Panama that remains united toward the future. [end recording]

Perez Balladares said that workers opposed to the labor reforms deep down agree that the current economic system must be changed, as it has not generated the jobs the country needs.

[Begin Perez Balladares recording] They know those changes are necessary, as do the businessmen whose privileges were affected by some of the laws already passed, such as the across-the-board tax incentives law and others. They know, as does the state, which has made an effort to modernize basic services and dedicate its efforts to what really corresponds to the state: providing social services that private enterprise cannot provide. [end recording]

Perez Balladares added that workers also know that it is necessary to make labor relations more flexible without being detrimental to any of the social conditions that are necessary for human dignity. Consequently, he invited them to set aside political motives.

As part of the activities to commemorate Coclecito's anniversary, Perez Balladares inaugurated a rural hospital named after Joaquina Herrera de Torrijos. It was built at a cost of $200,000. The Social Emergency Fund financed the equipment for $145,000.

A cooperation agreement was also signed between the Coclecito Coooperative, the Panamanian Institute of Tourism, and Geotec [expansion not given], for the development of the Parador Torrijos Project and The General's Museum House.

Also present at the event were First Vice President Tomas Gabriel Altamirano Duque, First Lady Dora Boyd de Perez Balladares, Health Minister Aida de Rivera, Geotec executives, ecclessiastical authorities of Cocle and Colon, Coclecito community leaders, and residents.

Workers Announce March to Assembly

PA0708163895 Panama City Circuito RPC Radio in Spanish 1435 GMT 7 Aug 95

[Report by Carlos Somoza Garcia]

[FBIS Translated Text] This is a report from the Human Rights People's Coordinating Office in Panama City, where workers of the 49 unions that oppose the Labor Code reforms read a communique a few minutes ago stating their position on the fourth day of their general strike.

Juan Frias, leader of the Union of Tabacalera Istmena Workers, told the media during a news conference that the general strike will continue. He also said that leaders Gabriel Castillo, Jose Morris, Saul Mendez, and Genaro Lopez are the only ones authorized to make public statements on whether the general strike will continue or stop. The workers repudiated last Friday's actions in Panama City and demanded the release of all the people detained on Friday and the lifting of warrants of arrest issued against union leaders Gabriel Castillo, Jose Morris, Saul Mendez, and Genaro Lopez.

In the news conference, the workers also asked the government to withdraw Bill 86, which is going through a second debate at the Legislative Assembly. The workers said that protests and picketing will continue at the various construction sites in Panama. They also announced that a march will begin at Plaza Porras at 1500 this afternoon and will proceed to the Legislative Assembly. They said they have already reported to the Panama City Mayor's Office that they will carry out this protest this afternoon.

The workers asked the general public to support the strike and said that lawyers Rafael Rodriguez, Antonio Vargas, and Rafael Carvajal will represent the detained workers and that proper habeas corpus writs will be filed at the municipal night courts on behalf of the workers who were detained on Friday.

In addiition, leaders of the University of Panama's Independent Union Action of Administrative Workers have reported that university authorities have not allowed workers, pardon, students to access the university grounds.

Labor Minister Criticizes Strikers

PA0708220395 Panama City Telemetro Television Network in Spanish 1730 GMT 7 Aug 95

[Interview with Labor Minister Mitchell Doens by Atenogenes Rodriguez at the Legislative Palace in Panama City; from the "Telemetro Reports" newscast — live relay]

[FBIS Translated Text] [Rodriguez] Debate on the third bloc of Labor Code reforms has not yet started here at the Legislative Assembly. The second debate was scheduled for 1100; it is past 1200. Labor Minister Mitchell Doens arrived early today amid protests and strikes. We want to know your opinion, especially as leader of the Democratic Revolutionary Party, on this morning's developments. Protests have continued, and the situation is still tense in the capital. What is your assessment?

[Doens] This is regrettable, because they insist on using forceful means to impose a strike on others, although many persons and unions have rejected it and have sought dialogue and a consensus. We want the strike leaders to know that they are not harming the government with such measures but themselves and the rest of the population. Those who resort to violent means show that they are wrong.

This makes no sense. We regret these developments and continue to urge these leaders to change their attitude. They may strike under the terms specified by law, and we will respect it, but they are actually trying to impose their views on others by erecting roadblocks and attacking third parties. The government is forced to restore order to protect the interests of third parties.

[Rodriguez] Some images this morning caught my attention, and I am sure also the attention of the viewers: Demonstrators were beating up policemen, and even set some afire. Government authorities had announced that no firearms, not even truncheons, would be used against the demonstrators. Will the government change its policy?

[Doens] I think that in the past 10 or 12 months the government has shown that it is not vengeful or repressive, that it is pursuing nobody. We have respected the law and due processes and believe that there are freedoms, in fact, even the media is helping consolidate such freedoms by covering all events in the country.

I do not think that it would be advisable for the citizens if the government adopted harsh or forceful measures to face the aggression and intolerance of a group of persons who are obviously rejected by the citizens. The citizens are not deploring the strike, but the methods being used and the imposition of the strike on others.

There are times when they are intolerant, and we do not want this to happen. We might have to adopt other measures to prevent incidents such as those we have seen. We are not making this up; we have seen images on television. There is an inexplicable degree of aggressiveness and violence. We urge everyone to be prudent and favor a dialogue. We urge the strikers to change their attitude because they are hurting themselves the most.

[Rodriguez] Mr. Minister, thank you for being with us. Here at the Legislative Assembly, activity seems to be picking up. The first roll call on the legislators could be made soon in order to start second debate of the Labor Code reforms.

President Repeats Request for Dialogue

PA0808004795 Panama City Circuito RPC Television in Spanish 2300 GMT 7 Aug 95

[Report by Orlando Mendieta; from the "RPC Television News" newscast]

[FBIS Translated Text] President Ernesto Perez Balladares considers it an error that the workers of Suntracs [Single National Union of Construction and Related Workers] do not agree to engage in dialogue with the government. He reiterated that he has decided to leave the doors open to dialogue. He made the statement within the framework of a meeting held this afternoon at the presidency with the wives of the persons arrested.

[Begin Perez Balladares recording] We must engage in dialogue. We must discuss our differences, even if we don't reach a solution. It doesn't matter. Instead of throwing stones, let us sit down to talk. I think this is the most important thing in this lesson, which I hope we have all learned on both sides.

Friday's protests began with an unusual level of violence, with an attitude of aggression against the police. These police, by the way, have strict orders from me not to use birdshot to repress anyone.

Therefore, thank God, there have not been any major incidents. We have attempted to use force, physical force, tear gas canisters, which is what does the least harm. We have to fulfill the law, however. I cannot stop enforcing the law, just as the mayor cannot stop fulfilling the law.

Those who are not government officials can do anything that is not prohibited by law. Those of us who are government officials have to do only what the law mandates. We can protest, and democracy allows us the right to dissent, to voice disagreements.

I reiterate, however, that our proposal does not hurt the workers' benefits or the labor situation of those who are employed. It can, however, improve the situation of despair with your own son, who is unemployed and can't get a job because there are not enough jobs generated in the country. I ask you to please talk to them. I reiterate my permanent concern to avert days of pain and mourning for Panamanians. I ask you to influence your families, your children, your brothers, your spouses, so that instead of confronting one another on the streets, we engage in a constructive dialogue of Panamanians. Thank you, all. [end recording]

Conep Voices 'Concern'

PA0808011695 Panama City Circuito RPC Television in Spanish 2300 GMT 7 Aug 95

[Report by Luis Alberto Jimenez; from the "RPC Television News" newscast]

[FBIS Translated Text] During a news conference, the National Council of Private Enterprise, Conep, today voiced its concern over the turn the debates on the Labor Code reforms have taken in the Legislative Assembly.

[Begin Conep President Guillermo Fernandez recording] Therefore, Conep most forcefully rejects what the Legislative Assembly has approved up until now during the second debate. We are asking the president and honorable legislators to return to the original objectives of the labor reforms, avoiding a further deterioration of the current socioeconomic conditions that eliminate the possibility of a better future for all Panamanians. [end recording]

According to businessmen, these reforms do not fulfill the promise of modernization and greater flexibility and of creating the mechanisms to be competitive, but on the contrary they increase rigid structures and problems between workers and employers.

Events, Results of Labor Reform Law Debates Detailed

Legislators Comment on Debates

PA0408170495 Panama City Circuito RPC Television in Spanish 2300 GMT 3 Aug 95

[Interview with Legislative Assembly President Balbina Herrera and legislator Joaquin Ferdnando Franco of the Authentic Liberal Party by reporter Marcos Castillo from the Legislative Assembly in Panama City; from the "RPC Television News" newscast — live relay]

[FBIS Translated Text] [Castillo] Honorable legislator Herrera: First, could you tell us what is expected? The bill on Labor Code reforms has not yet been presented. When will it be presented, and when will the assembly begin debating the bill?

[Herrera] First, I must tell you that the president of the Labor Commission will submitt the bill. The opposition has requested time to review their report in the Blue Room. The report is due tonight, but because we have reached a gentlemen's agreement with the opposition legislators who will deliver their report tomorrow at 0900, we began debating the two reports.

[Castillo] What do you expect will happen when the second debate begins? What are the most difficult problems to be resolved?

[Herrera] I believe each group will present its position. Those who wish to express their views will be given the floor. The report from the majority calls for giving the courtesy of the floor to the workers representatives in the tripartite commission, businessmen, and those sectors opposed to the reforms. Each group must state its views during the course of the debate as each subject is being considered by the plenum of the Legislative Assembly. In addition, the debates will be transmitted by Sistema de Television Educativa. I believe it will be a great debate in which each of the ideas of each sector will be presented.

[Castillo] We thank the president of the Legislative Assembly for her statement. We will now interview Legislator Franco, who will give us the opposition's views. Mr. Franco, how does the opposition view the presentation in second debate of the labor reforms tomorrow?

[Franco] As you know, we disagree with this. First, because of the way in which the first debate was conducted, and second because these reforms are bad for the workers and will not help the business sector. I believe the debates have been conducted at full speed and will continue to be handled this way. We know this was a commitment assumed by President Ernesto Perez Balladares with the IFI's [International Financial Institutions], that the Labor Code must be modernized and government institutions must be privatized before the end of the year to obtain fresh funds and to be able to pay the interest on the debt. In honoring those commitments, however, the workers and the business sector will suffer. Analyzing the situation with legislators from various parties — and here I am talking about several parties — I see no willingness or desire to have these reforms approved in the second and third debate.

[Castillo] What do you expect will happen in the second debate?

[Franco] We will present the report from the minority. We are currently updating it, because only yesterday more than 20 modifications were made, some of which I feel are contradictory. I describe them as contradictory, considering the legislator who presented them — someone I will not name — was unable to justify them. Even the Labor Ministry representatives could not justify them. Therefore, we can see there is opposition even from the executive branch, which did not agree with the 20, or 15, or 18 modifications presented yesterday.

In my opinion this should have taken longer. It was not a bill to be discussed in a special session, but in regular sessions. Unfortunately, we find ourselves here today, and we will probably have to stay here way past midnight over the next two weeks, considering the government's intention is to have the reforms approved as soon as possible. The government knows what lays ahead. As I said yesterday, I only hope it will not lead to what happened in Venezuela: a Caracazo [violence and looting in Caracas in February 1989 after the government announced stringent economic measures].

[Castillo] Thank you Legislator Franco. Before ending this live report from the Legislative Assembly, we have a question for honorable legislator Balbina Herrera: Is there really a commitment from the executive branch with the IFI's, and what will be the PRD's [Democratic Revolutionary Party] position?

[Herrera] I respect legislator Franco's opinion. As a representative of the opposition in the assembly, he has the right to say anything he wishes. The only thing I want to stress to the public is that the debates will be on television. Everyone should hear the contents of the reforms, and each person can draw his own conclusions. Sometimes it is easy to talk without having any knowledge of the proposals, reforms, and contents of the bill. Therefore, I feel that the problem is not defending or rejecting the reforms but, rather, explaining them to the citizens, and that legislators should make the decision they believe is best. I respect their views as the opposition. During the debates we will see who is right.

Business Leaders View Reforms

PA0408162595 Panama City Circuito RPC Television in Spanish 2300 GMT 3 Aug 95

[Report by Alvaro Alvarado; from the "RPC Television News" newscast; passages within quotation marks recorded]

[FBIS Translated Text] Businessmen of the country have met with members of the progovernment legislative wing to request the modification of some articles of the labor code reform draft bill.

Following the approval in the first reading this Wednesday of the Labor Code Reform Draft Bill, a great deal of dissatisfaction emerged in the country's business sector. Therefore, business leaders and representatives of the progovernment legislative wing led by legislator Balbina Herrera met this morning. The main objective of the reforms is to ease the Labor Code so as to attract investment. Nevertheless, businessmen defined the reforms as follows:

[Guillermo Fernandez, president of the National Council of Private Enterprise] "The reforms are chaotic as far as possible investment is concerned. They are chaotic and go against the reality of why we are sitting here."

[Unidentified reporter] "Who will benefit most from these reforms as they were approved last night?"

[Fernandez] "Workers will benefit most from what we have seen after analyzing each article."

Businessmen have requested changes regarding the unemployment fund, such as the right to allow free dismissals.

[Jose Jose Vallarino, president of the Chamber of Commerce, Industries and Agriculture, broadcast in progress] "...because we believe that as investors are allowed more freedom to act, they will come to this country to make investments."

Another aspect businessmen oppose is the payment of a 50-percent premium for Sunday work, especially when that Sunday is a national holiday.

According to the National Assembly president, the meeting served to clarify some concepts. However, she stated, speaking about the free right to dismiss is a delicate matter.

[Legislative Assembly President Balbina Herrera] "We simply cannot grant businessmen the right to dismiss workers with less than two years of employment, eliminating Paragraph 3 of Article 211 in exchange for the unemployment fund. They know we cannot do anything here."

With these reforms to the Labor Code, Balbina Herrera pledged to find what is best for Panama, and not for a particular sector. But amid those meetings, the workers opposed to the same have announced a strike. And this is what businessmen have stated:

[Ricardo Ortega, president of the Panamanian Association of Business Executives] "We cannot endorse all this uncertainty, coupled with a strike called by people who were invited to a bargaining table and chose not to participate. It goes against our country."

[Eduardo Rodriguez, member of the Panamanian Construction Board] "Any action that generates causes of conflict or instability to the sector of investment or construction adversely affect the attitude of investors and developers toward an industry that is currently booming."

President on Industrialists' Role

PA0408145995 Panama City TVN Television Network in Spanish 2359 GMT 3 Aug 95

[Speech by Panamanian President Ernesto Perez Balladares at the inaugural ceremony of Expo Industria 95 at Atlapa Convention Center in Panama City; broadcast in progress — live relay]

[FBIS Translated Text] ... Alfonso Herrera y Franco, first president of the Association of Panamanian Industrialists [SIP]:

When I listened to the preceding speakers' speeches, I heard on various occasions how old the SIP is. I could not help asking the minister whether you were a child when you became SIP's president. [laughter] Congratulations, because many of us would really like to reach your age as you have. My very best wishes and congratulations. [applause]

Dear friends, besides the goal set by the organizers, inaugural ceremonies like today's play an important and necessary role in the country nowadays: They remind Panamanians of their own achievements and what we ourselves are capable of doing. Frequently, some of our fellow countrymen are invaded by a sort of a paralyzing pessimism. They convince themselves that the country expects nothing but ill-fated days and end up infecting others; all of which only delays the final resolution of problems. This sort of recurrent defeatism breeds unrest and omens of economic catastrophe intended to frighten the country's production sector.

The modernization of labor-management relations is neither the beginning of a great tragedy nor the instantaneous relief for all of our ailments. It is an important component of the new economic structure developed for the next few years. This proposal includes a significant increase in our exports by establishing new industries and, of course, through the growth of those already existing. To this end, special laws have been approved, which are a complement to the labor reforms the legislature is debating today.

In Panama new jobs will not be generated to the extent required by today's young people and students if the current rules of the game are maintained. Not enforcing the reforms could give us rulers political tranquility and perhaps some occasional applause, but we would be unnecessarily postponing measures which, if adopted later, would be much more traumatic. I do not favor postponing difficult decisions into infinity. I am convinced that today's sorrow will spare the country social outbursts of unexpected proportions.

The government's main duty is to work for the people, not for opinion polls. The following generations will deeply despise our generation if we miss the opportunity we now have to modernize the country and will not forgive us for sacrificing the future only to maintain at present satisfactory popularity ratings.

I understand the people's government as a responsibility before the nation as a whole and therefore have an obligation to adopt all the measures which, however, seem to please a few, but will benefit the most needed majority. The government's efforts are addressed at the thousands of unemployed individuals who today wander our streets without immediate hope of getting a job.

For this purpose, Panamanian — small, medium-sized, and large — industry plays a crucial role: increased exports depend on the industry's growth to a large extent. Therefore, a large number of new jobs, which the nation demands, should be generated here in this sector. The very significant progress made by industry within the last 25 years will be even larger once the country's economic modernization has been completed. With this hope which, in my opinion, is a certainty, I declare formally inaugurated this wonderful Expo Industria 95.

Thanks to all.

Assembly President Interviewed

PA0408174095 Panama City Telemetro Television Network in Spanish 1525 GMT 4 Aug 95

[From a special news bulletin]

[FBIS Translated Text] We suspend our regular programming due to fast breaking developments. Our colleague Atenogenes Rodriguez is at the Legislative Assembly, where he will talk briefly with Assembly President Balbina Herrera who will explain what will take place there today. Go ahead, Atenogenes:

[Rodriguez] Thank you. At this time, when it is shortly after 1000, 1025, though scheduled to begin at 0900, we are still awaiting the beginnning of the second reading of the labor reform draft bill. It is important to get some feedback on what is going on at the Assembly from Assembly President Balbina Herrera.

[Herrera] Good day.

[Rodriguez] Good day, legislator. What has taken place... [pauses] what will be the proceeding today, especially in light of the pressure the Assembly is subjected to today given the traffic jams? Or do you think no pressure is being exerted?

[Herrera] I want to tell citizens that the Legislative Assembly is still awaiting the arrival of the honorable legislators, following the different traffic jams that have occurred in the capital. But today we will begin the second reading of the labor reform draft bill. We respect the right of workers opposed to the reform to stage demonstrations. For us, they have the right to stage demonstrations and we have the right to legislate. Therefore, we are expecting to have the mandatory quorum to begin the session.

[Rodriguez] We understand that construction workers and workers from other 49 organizations have begun marching to the Assembly at this time. What will your position be?

[Herrera] Listen, we want to reiterate the following. With Messrs. Mendez and Genaro [Lopez], we have kept in touch with them for more than two days. We told them they would be allowed to participate at the Assembly session throughout the draft bill reading. Moreover, they had been granted seats. First we told them they could bring 30 people. They said they wanted to bring more people. I said I would allow one representative in for each organization. Then they said it was too few. Then they said they wanted two persons for each organization and we agreed. We told them they could come inside the Assembly building, as workers from the Tripartite Commission and businessmen will be doing, too.

But suddenly they have felt this is not what they want. They want other things. Therefore, each person will be held accountable for what he does. We are responsible for legislating and they are responsible for the actions they adopt before the public.

[Rodriguez] The situation has become very hot. Does the Legislative Assembly feel a degree of responsibility for what may happen?

[Herrera] None whatsoever. If this Legislative Assembly had closed the possibility of dialogue and conversation to the sector opposed to the reforms, I may then say I am guilty. But we have repeatedly invited them — we have invited Morris. We have sent two letters to Mr. Genaro Lopez inviting him to come to the bargaining table, and they have felt we are trying to trap them.

I believe that as union leaders, they may have contributed a great deal to the reform bill, as I hope they will contribute. It cannot be said we have closed our doors to them. What they tried to do last night — and this must be clarified — was to break the door open with a car.

There is one thing I want to tell them. They may stage whatever demonstration they want outside of the

Assembly. They may shout everything they want but they cannot attack the Assembly building, because there are men and women here who demand respect, just as they do.

Consequently, we may not be held accountable when us, as Legislative Assembly, have not closed our doors to them.

[Rodriguez] Will riot policemen be placed outside the Legislative Assembly building today? Has this request been made to police?

[Herrera] I have not yet spoken to the minister of government and justice. However, as you just said, if they come to the Assembly in an aggressive manner, you can rest assured they will be allowed to stage their demonstrations outside the Legislative Assembly building, in all adjacent streets. But if they are to come in here, they will do so in an orderly manner. If they want their delegation to come in here, and their five members be allowed to speak, things will be done in an orderly fashion. If they want to stage protests, they should do so in the streets, not within the Assembly building. In this point, we will be categorical.

Yesterday I told Police Director Oswaldo Fernandez I don't want to turn them into martyrs. What we want is their contribution to the draft bill so as to improve it. But everyone has his own agenda. If they have their political objectives, we have the mission to discuss the reforms. In addition, these discussions will be broadcast via television. In other words, we are not hiding anything here. You may follow the labor code reform debates on television.

I think we cannot give them more than this. Never before has anyone cared to give so many advantages. Consequently, if we have been broad-minded, they should not mistake that with fear. We are not afraid of workers and their leaders, because I think the best thing they could have done was to sit down to improve the document.

[Rodriguez] What everyone is saying is that during this weekend, the Labor Code reforms will most likely be passed entirely in the second reading. Does the Assembly feel this way too? Does the Assembly feel they will be approved this weekend?

[Herrera] Listen, the special legislative period will last until 15 August. The truth is that we have not worked since last Friday. We did not work Friday, Monday, Tuesday, and Wednesday. We began working yesterday. And if we are being paid for legislating, we will hold sessions this weekend, and we will do so by topic. If they want to participate the doors are open. Doors are open to them, the Tripartite Commission, businessmen, and legislators.

I don't want to specify a fixed period. What I want is that the people hear the fallacies they are saying, because they have not even read the document after the first reading.

[Rodriguez] But suppose construction workers and workers from these organizations come today to the Assembly to say they want to come in and talk. Will they be given a chance?

[Herrera] That is what I have said. Listen, the PRD [Democratic Revolutionary Party] majority report states that five of them would be allowed to speak, together with five representatives of the labor leaders who participated in the Tripartite Commission, and five business sector representatives. They will be down at the floor with us. Therefore, we would allow the participation of representatives from each sector.

But they should not declare as they did last night: either all of us participate or no one does. In this country and in the world, this level of confrontation has ceased. Whoever wants to create conflicts may in fact be pursuing other things. And if they have doubts about the first article, there are opposition and government legislators on their side who can improve the proposal.

They are saying we are reducing the salaries of workers. They have not even learned that article was changed. We are not talking about reducing workers salaries, because that is unconstitutional. What we have included is that at a times of crisis in an enterprise, the worker and employer may reduce the working hours or weeks to guarantee the employment. But since they have not read the final document, they are making up things.

I think this is the type of misinformation they have been spreading. But when one is not right, one creates this type of situation. They have called a nationwide strike but who is the most affected? The people and the rest of the Panamanian population.

I don't criticize what they are doing, but each of us should be responsible for his actions. I, as president of the Assembly, will be responsible for my own actions.

[Rodriguez] Legislator, please stay here with us. We will go back to Lucy at the studio because she will surely have some interesting questions. In addition, a few minutes ago, we saw the minister of government and justice. There are many questions to be made. Lucy, go ahead:

[Lucy Molinar, studio reporter] We would like to know how many legislators are there at the Legislative

Assembly at this time, and at what time they think there will be a quorum? What is happening with opposition legislators? It has been said that many of them will not attend to try to prevent the quorum from being attained at the Assembly. What is the situation?

[Rodriguez] That is an interesting question. Here with us is the Assembly president, as I said. Lucy asked us about the number of legislators. The quorum has not been attained yet, right?

[Herrera] Of course, not. Lucy, you must understand there are traffic jams in various points of the country and we are awaiting the arrival of all legislators. In addition, I want to tell the people that opposition legislators yesterday said they did not have the minority report written up, so they asked for room until their report is written. We have done all this, so that later it is not said that the PRD, with its majority of legislators, wants to impose things. Consequently, we are waiting for them to bring us their minority report, to discuss both the majority and minority report. This is being done in such a flexible way so as to not let anyone feel his position is being adversely affected.

[Rodriguez] Are you aware of any opposition strategy to boycott this session and prevent this bill from being discussed?

[Herrera] Listen, the Assembly regulations state that if after a specific period of time the opposition does not present its minority report, we immediately begin to discuss the majority report. Since there is a gentlemen's agreement, I met with them yesterday afternoon, I believe they must be responsible. I think it is fundamental that they act in a responsible manner, because, otherwise, their position will lose strength.

I am confident that opposition legislators will show up. Some of them are around here. But I feel they have not written up the minority report, and we are going to wait for them to do this. This will permit us to exchange ideas. In this country it is important that we sit down and exchange ideas to get the best document for the country in the end.

[Rodriguez] We go back with Lucy at the studio. Lucy, do you have another question?

[Molinar] Yes. There is a great deal of uncertainty among workers, especially because many of them state that an effort is being made to justify the adoption of some measures. Is this true?

[Rodriguez] Based on comments by people and workers mainly, Lucy said an effort is being made to justify the use of violence against workers. What do you think?

[Herrera] I want to tell Lucy as well as the public that we did not begin the violence. The first thing that happened was the closing of streets. Some cars have been damaged. We are not beginning any acts of violence, Lucy. I believe viewers must have this clear. We are playing our role.

But you must also understand that you could stage a protest without affecting third parties. It is like trying to impose my beliefs over those of others. Here everyone has his own idea. The important thing is to keep a third ear open, because sometimes we think we are the only ones who are right. I am under the impression that this is the position of the sectors opposed to the reform. They say it is all incorrect; they say no one knows about unionism; they say they are the only ones who know about the Labor Code.

Gentlemen, the relations of the world have changed. Confrontation must give way to the culture of dialogue. And we have given proof of that. It is not true we are promoting this type of disturbance to justify future actions. For us, it is important that everyone sit down to talk so that we may advance. In the Legislative Assembly, everyone should present his or her ideas.

[Rodriguez] We thank Legislator Herrera for being here with us this morning at the Legislative Assembly, the center of news today regarding the labor reforms and their second reading.

Assembly Approves 36 Articles

PA0608232295 Panama City EL PANAMA AMERICA in Spanish 6 Aug 95 p 1

[Report by Carlos Vargas]

[FBIS Translated Text] During a second debate early today, the Legislative Assembly approved two blocks (36 articles) of the Labor Reform Bill, which includes the polemic issue of workers' mobility.

The official legislators approved the discussion of the bill in five instead of 12 blocks. The opposition argued this measure aims to approve the reforms before 7 August and advanced they will file an unconstitutionality suit.

Among other actions, the legislators approved Article 1, which establishes the code's philosophy, maintained 10 November as a national holiday, and reduced working hours during times of national crisis.

Today's debate will focus on the third block, which includes the controversial Dismissal Fund.

Meanwhile, leaders of the Bocas del Toro banana workers have decided to reaffirm their decision to strike after meeting for several hours with the official PRD [Democratic Revolutionary Party) bloc at the Legislative Assembly.

There was calm in the city as policemen guarded construction sites.

Chiriqui Land Company Viewed

PA0708035295 Panama City EL SIGLO in Spanish 6 Aug 95 p 6

[Report by Jose Gonzalez Batista]

[FBIS Translated Text] The work stoppage at the Chiriqui Land Company banana plantations in the provinces of Bocas del Toro and Chiriqui will cause losses of $1 million daily, labor leader Saul San Martin revealed yesterday.

The statements by the leader of the Union of Chiriqui Land Company Workers (SITRACHILCO) Division of Puerto Armuelles were made after the Bocas del Toro banana workers announced their support of the strike against the labor reforms.

San Martin said the measures that will be adopted as of today include the mobilization of personnel at the various farms, as well as the paralyzation of ships that transport the fruit abroad.

The labor leader said some 200,000 boxes of bananas so far have not been exported due to the labor strike in the company.

He said the farms located in the Bocas del Toro sector daily induce 300,000 balboas in fruits, while activities in the area of Puerto Armuelles generate some 700,000 balboas daily.

For his part, Saul Mendez, deputy leader of the Single National Union of Construction & Related Workers (SUNTRACS), charged yesterday in hiding that the national government has infiltrated personnel among the demonstrators to cause chaos and uncertainty.

Mendez said he is in hiding due to the arrest orders that are out for the leaders of SUNTRACS, particularly Genaro Lopez, SUNTRACS secretary general.

Neither Business, Workers Endorse Reforms

PA0508170095 Panama City LA ESTRELLA DE PANAMA in Spanish 5 Aug 95 p A1

[From the "LA ESTRELLA DE PANAMA's Opinion" column]

[FBIS Translated Text] In terms of the efforts the government has made to achieve what has been euphemistically termed the "modernization of labor," Labor Minister Mitchell Doens told a news conference, and we quote, "we have employed every mechanism of persuasion..." without succeeding in obtaining the desired results. In other words, what is happening stems from the stubbornness and intolerance of other parties.

The paradox is that, in their current form, neither the business nor labor sector wants the Labor Code amendments, and, therefore, their ratification is the sole responsibility of the government.

The efforts to which the minister was referring are nothing more than bullring grandstanding in which bullfighters perform their best to win the applause of the spectators. The progovernment legislators, in turn, have failed to show the appropriate diligence, because, in the words of one Labor Committee member, "the progovernment legislators are made of granite." In other words, their purpose is not to persuade but, rather, to get the job done.

Meanwhile, we are seeing, as in the height of the Noriega era, policemen in combat gear chasing demonstrators who hurl stones at them, and inflexible workers running from tear gas canisters and birdshot.

Such scenes are not so submerged in our collective memory that upon seeing them again we do not feel a cold shiver running down our spines. For the good of everyone, we hope this is as far as it will go.

Argentina

Petrella on Sanctions Against Oil Exploration Companies

PY0708145195 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1808 GMT 5 Aug 95

[FBIS Translated Text] Buenos Aires, 5 Aug (NA) — Vice Foreign Minister Fernando Petrella reiterated today that Argentina might ask for economic and financial sanctions against companies that participate in the unilateral bid called by the inhabitants of the Malvinas Island to explore for oil in the South Atlantic.

He said there will be a meeting next week, "not the last, but a very important one," to try to reach agreement with the British. He said we will express our rejection of the unilateral decision by the islanders.

Petrella said: "We are close to a moment of definitions. We have dealt with very complex items since the start of negotiations in December 1991. If we look at the process that started then, we will see we have made a lot of progress."

Petrella said next week's meeting "will not be the last" because "as long as there are things to discuss we will continue to negotiate."

The diplomat said: "Some solid elements suggest there are points to negotiate," adding: "We are far from optimistic about the result of our talks."

"We think we must continue to elaborate on formulas that so far have been taken with interest by the British and defending our interests in the disputed zone," Petrella told a radio station this morning.

The vice minister noted that Foreign Minister Guido Di Tella "is considering a series of elements that we must take into account just in case things do not end well," adding, however, that "it is not right to talk about these things because we must not use language that might be construed as applying undue pressure."

Petrella added that "we will continue to exchange formulas" on exploration and exploitation around the Malvinas Islands, adding that Argentina might ask for "commercial or economic sanctions against companies participating in the bid."

Menem Meets Israeli Industry, Trade Minister Harish

PY0808040395 Buenos Aires TELAM in Spanish 1410 GMT 7 Aug 95

[FBIS Translated Text] Buenos Aires, 7 Aug (TELAM) — President Carlos Menem today expressed to Israeli Industry and Trade Minister Mikha Harish his firm belief that the perpetrators of the attacks against the AMIA [Argentine-Israeli Mutual Association] headquarters and the Israeli Embassy in Buenos Aires will be found.

After meeting Menem at Government House, Harish noted: "The president told us that the perpetrators and masterminds of that terrorist action will ultimately be found."

Harish, accompanied by Yitzhaq Aviran, Israeli ambassador to Argentina, who acted as interpreter, pointed out that the attacks against the AMIA heaquarters and the Israeli diplomatic mission are "like an open wound, and we have to find a solution."

The Israeli industry and trade minister said: "It is necessary to carry out an all-out struggle against terrorism around the world in order to achieve results."

Asked about the possibility of Argentina selling a nuclear reactor to Syria, noted that, "when he visited our country," Argentine Foreign Minister Guido Di Tella "said nothing would be done against Israel's will."

During his meeting with Menem, Minister Harish appreciated "very much the Argentine Government's attitude" of not affecting peace in the Middle East through the possibility of selling a reactor. He admitted that this type of operation "would represent a very serious problem because (a nuclear reactor) might not be used for peaceful purposes."

During the meeting, in which Economy Minister Domingo Cavallo was also present, the visiting minister emphasized the friendship existing between Israel and Argentina.

The Israeli minister also expressed to President Menem Israel's goal of making headway in the field of trade cooperation between the two countries.

The Israeli minister, who began a three-day visit to Argentina today, is heading a delegation of 22 Israeli entrepreneurs. They are scheduled to meet Argentine entrepreneurs.

The Israeli delegation will sign an agreement with the Argentine Government on investment insurance funds "for up to $100 million." The Israeli delegation will also conduct negotiations to enhance "cooperation in the agricultural, agroindustrial, and water exploitation areas."

Bolivia

President Delivers State of Nation Address

PY0708132595 La Paz Television Nacional Network in Spanish 1947 GMT 6 Aug 95

[State of the Nation Address by President Gonzalo Sanchez de Lozada to mark the commencement of the new congressional term from Independence Hall at the Casa de la Libertad in Sucre — live]

[FBIS Translated Text] Your Excellencies, President of the National Congress, President of the Honorable Senate, President of the Chamber of Deputies, President of the Supreme Court, Apostolic Nuncio and Dean of the Honorable Diplomatic Corps, Archbishop of Sucre, capital of the Republic; national, departmental, civilian, and military officials; honorable senators and deputies; ladies and gentlemen:

I am deeply moved and thankful to the Almighty for being here at the Casa de la Libertad to deliver the 6 August presidential speech. The Republic of Bolivia was born in this room on this date 170 years ago. This is an honor I receive with humility and the serene conviction that the ideal of our founders will guide us to continue to build a better country for all Bolivians.

Concluding today two years of my administration, I feel like a traveler who looks back and is surprised to see how far he has gone yet, when looking ahead, he sees he still has a long and difficult way to go. The government report on the last 12 months of administration is detailed in the ministerial memos submitted today to the Honorable National Congress. Therefore, allow me to speak on this occasion about the course of the structural reforms in which we are engaged to change our society.

First, and to provide a framework for this process, I would label the times we are experiencing as fruitful but difficult; these are times that require strong men and harsh measures in accordance with the challenges that we Bolivians have always overcome. In these two years, the three pillars of the Plan For All have left the realm of ideas to become concrete realities. I am referring to capitalization, education reform, and popular participation.

We have recently witnessed the capitalization of three electrical enterprises which belonged to the National Electricity Enterprise. This is a good example of the meaning of capitalization. Despite adverse commentaries, there have been no dismissals or corruption. On the contrary, workers have kept their jobs, become shareholders, and seen their shares grow in value. The process was completely transparent, the enterprises received a contribution of almost $140 million, and 50 percent of the shares are for the benefit of the Bolivian people.

This new contribution will become an investment that will create work, and this will also create employment. Bigger companies need more engineers, more employees, and more workers.

On the educational reform, I would like to report that reforms are reaching the schools. Our children will be better prepared to face the challenges of life and will be able to get better jobs with better salaries. This will allow them and Bolivia to progress.

The reform is technically complex but it seeks to end the illiteracy that prevents children from going to school, to revaluate our culture, and to enable our community to participate actively in the educational process.

Let me give you an example of this reform in concrete terms: Late last year, the country saw on television groups of children from different regions of Bolivia visiting Government House. These children showed Vice President Victor Hugo Cardenas, who was then acting president, what they had learned during the pilot project of the intercultural bilingual education which includes 140 schools throughout the country. This was a great and pleasant surprise: The children, all from rural areas, not only spoke perfectly in their native languages and in Spanish, they also wrote them perfectly. They showed great personal confidence and a profound sense of cultural identity.

This is why the Bolivian people, who have great wisdom, believe this reform most closely affects their lives and provides their children with a better future.

The other pillar of this reform process is in full swing. This is popular participation, which transfers political and economic power to the communities. Its effects are more noticeable in the provinces and in the countryside, where thousands of projects are being developed — among them schools, roads, drinking water, health posts, sewerage systems, and sport centers. I would like to give one example of the implementation of the educational reform law. The population of Pucarani, La Paz Department, never received a cent before the popular participation law was implemented, but in 1995 Pucarani will receive more than 2 million bolivianos. With this money, and obviously with great effort and sacrifice, the Pucarani municipality has built a sports center for more than 1,000 people, schools in different districts, houses for rural teachers, and public baths. Like in Pucarani, many projects are being built throughout the country.

It is calculated that 8,000 projects will be carried out through the popular participation law in 1995. This is more than twice the 3,271 projects carried out by the Social Emergency Fund in its three years of existence. Just imagine how this law is changing the lives of millions of Bolivians who have been ignored and left abandoned in the past. Perhaps this is why it is called the blessed law. I hope the opposition will not fulfill its promise of derogating this law if they become the government. [applause]

As work cannot be carried out without men of flesh and bone, popular participation has become the greater creator of jobs in the country through the municipalities. One of the frequent criticisms is that these are temporary jobs, but those who make this type of criticism forget that the resources appropriated to the municipalities are renewed constantly. Therefore, the demand for jobs is permanent.

Let me give you overall figures to show the meaning of popular participation, without considering the municipalities own resources from taxes that were transferred by the Popular Participation Law to them. Before the law in 1993, departmental capitals received 205 million bolivianos annually. This year they will receive 264 million bolivianos.

Before popular participation was implemented, the provinces received a total of 18 million bolivianos annually. Let me reiterate this, before the Popular Participation Law was implemented, the Bolivian provinces received only 18 million annually. This year they will receive 415 million bolivianos: 24 times as much. Thank God, the time has arrived for the provinces. [applause]

Popular participation has another virtue, which is no less important than creating jobs. It is the virtue that through popular participation formal democracy, or the democracy of votes, can become a participating democracy. Through popular participation the community takes in its hands the course of its future. Changes of this magnitude have not been easy and have run into multiple problems. Some people ask if such an effort was worthwhile or if it was better to have left things as they were. I would like to say that these changes have nothing to do with the fancy of some individual or some party. It responds to an implacable imperative that has an internal and external explanation.

The internal explanation is that our state enterprises can no longer continue to politically plunder, to be a source of inefficiency and corruption. We all know the sources of financing for these enterprises from multilateral institutions and foreign aid have been closed. Education can no longer continue to be the national disaster it is now. This is dramatically reflected in a rate of illiteracy of 55 percent. I would like to stop here to ponder on this figure; an illiteracy rate of 55 percent. No one can continue to tolerate the great difference between the countryside and the cities. This caused our country to have the highest percentage of rural poverty in the continent.

The external explanation is that the time for international cooperation, on which our country lives to a great extent, is coming gradually to an end. This will force both Bolivia and many other countries in many continents to rely only on their own efforts. This is the reason why we have the idea of change in our minds and a light in our hearts.

Capitalization is an answer to the need for more jobs. The educational reform is an answer to the need to improve our human resources, and popular participation is an answer to the unjust distribution of national income.

All these reforms seek to meet the great challenge of achieving the sustainable development of our country by ourselves. The time for dependence is over. Whether it likes it or not, Bolivia will be a sovereign and free nation through the effort and work of its own sons and daughters. [applause]

Investments, an improvement in human resources, and a reduction of poverty are part of the process of coping with the harsh reality. The next step is to promote the internal sector through pension funds and individual capitalization. Thus national investments will surpass foreign aid in order to extinguish our terrible dependence. With the shares of capitalization — that is 50 percent of all important state companies like YPFB [Bolivian Government Oil Deposits], electrical and telephone companies, among others — we will have the basis to create the way for having pension funds from individual capitalization which will give Bolivia what every Bolivian dreams about: a dignified retirement.

In addition to the structural reforms I have pointed out, we have also promulgated two other important laws: the first is the reform of the Constitution, which includes the recognition of our diversity, the modernization and dignification of justice, and the national and municipal government term of five years. The reform establishes the direct election of half the deputies by making National Congress more representative.

The second is the Administrative Decentralization Law. We have dedicated many hours over the past few months to exchanging points of view and negotiating with organizations that represent Bolivian society, and with government and opposition political parties.

I would like to emphasize the patriotic effort of those who participated in these exhausting but fruitful talks. These contributions made the preparation of the final law possible.

On the occasion of making an assessment of the first half of my administration, we can assert today that we are fulfilling the promises made during the 1993 election campaign. We are aware, however, that except for popular participation, the great transformations are just beginning to affect the daily lives of Bolivian citizens. I am aware of the feelings of frustration that this process is causing and I can assure you that I share and understand the same feeling.

I definitely want this process to move faster in order to have now its results in the stomachs and pockets of the Bolivian people. A great deal has been accomplished in the last two years. This encourages and gives us confidence. You can rest assure that the objective is getting closer and that we will achieve it.

Regarding myself, I will not lack the effort, the dedication, or the will to fulfill this objective. We will overcome all obstacles. I know this is not enough because the people want to see results. I can assure you that just as popular participation is now part of the daily lives of millions of Bolivians, the great reform measures on which we are working very hard will also come true.

Fellow Bolivians, on this important day for all Bolivians, I hereby wish to request your assistance in helping me face the challenge of overcoming indifference, discouragement, fear, mentalities that cling to the past, and selfishness. Let us have confidence in Bolivia and its future as our forefathers did in their day in this house 170 years ago. Long live Bolivia. [applause]

Views Goals of Williamsburg Defense Summit

PY0808012195 Cochabamba LOS TIEMPOS in Spanish 30 Jul 95 p A15

[Commentary by Mario Rueda Pena: "Concerning the Williamsburg Military Summit: Is Bolivia Giving Up Its Own Military Doctrine Again?"]

[FBIS Translated Text] During the Cold War, the United States imposed the military doctrine of national security on our countries. This ideological and political breviary was written in Washington to serve as a guide to our military institutions in the fight against and extermination of "internal enemies." With the sole exception of Cuba, a country that established its backyard presence by virtue of its revolutionary adventurism, Latin America gave up its sovereign right to establish the principles of its military policy.

Initially the term "domestic foe" was a direct and exclusive reference to native communists. They were considered unmasked agents of the Soviet expansionist strategy in Latin America. This term would then come to apply to all those who assumed a line of protest against the injustices of the established order. It was thus that "internal enemies" were said to be present everywhere. And since they were blamed for the most absurd scenarios, not even Holy Mother Church — the Catholic Church — was free of suspicion.

As time went by, U.S. suspicions fell upon democracy itself. They believed that the church and institutional paraphernalia (a multiparty, congressional system, etc.) were a nest of subversives at the service of "international communism." It was then that the United States began, with true sporting impetus, a round of military coups throughout nearly all of Latin America, especially in the Southern Cone, bringing to political power its most advanced military pupils from its antisubversive school in Panama.

Later, the Berlin Wall and the Soviet Union would collapse. "The dog is dead, and so are the fleas," the Americans seemed to say as they began theorizing on the need to eliminate, as a useless institution, the Latin American military apparatus.

Drug trafficking is now making them strongly reconsider that attitude. The communists may have already been consigned to the museum of history, but traffickers are firing drugs at them from nearly all the beaches of the Caribbean. The narcofire along the coasts would not have interested them too much had not the electoral temperature risen too much every time the incumbent president had to be either kept in or removed from the White House.

Since drug enforcement costs a lot of money (they have it, but do not want to spend it), they have concluded that it is cheaper and more elegant to delegate that task to the national armies of the Latin American countries.

This and none other is the objective of the military summit held in the almost unknown U.S. city of Williamsburg. A new six-point military catechism was issued there during the three day meeting. The main point calls upon our military personnel to go out and fight the drug traffickers in their respective neighborhoods like any policemen would do, with whistle in mouth and stick in hand.

As expected, the Latin American presidents are beginning to reject the Williamsburg meeting. Paraguayan President Juan Carlos Wasmosy, during a stopover at Viru-Viru Airport in Santa Cruz, as though wishing his words would be carried by the wind toward Government Palace at the foot of Illimani Mountain, said that his country will not use the Army — which has quite a different constitutional mission — for police tasks that, in his country, are entrusted to a corps specialized in the antidrug fight.

It would be good for the Bolivian military delegation that attended the Williamsburg meeting to explain, through the military high command, the position adopted in that summit. We must know whether there is harmony between the military institution and the Foreign Ministry. We must be told today, and not tomorrow, whether or not we have once again given up our right to have our own military doctrine, and whether or not we have lost our sovereignty on this front.

Most Bolivians — and probably the government as well — believe that drug trafficking will not be defeated unilaterally based on the military uniform. That defeat will be the result of a firm multilateral commitment, subject to rules that will commit everyone. Some would be committed to dismantling their drug markets and their narco-cartels, and others to eradicating coca crops and eliminating production, with international financing and oversight, of course. There must also be "ultimatums" and "decertifications" for all.

Brazil

U.S. Retaliation on Patent Bill Delay Viewed

PY0708141995 Rio de Janeiro JORNAL DO BRASIL in Portuguese 3 Aug 95 p 8

[Editorial: "Country Under Observation"]

[FBIS Translated Text] In view of the absurd stubbornness of Congress in not approving the patents bill, the expected U.S. threat of trade retaliation against Brazil is resurging. Brazil has been "under observation" since May. If nothing is decided before 1 October, new surtaxes will be charged on Brazilian products. This can cause losses of as much as $1 billion.

Approval of the bill has been dragging in Congress since 1991. It is now parked in the Senate. Senator Ney Suassuna's report, which was approved by the Constitution and Justice Committee (CCJ), must now be studied by the Economic Affairs Committee before being voted on at a plenary session. The only problem is that rapporteur Senator Fernando Bezerra (PMDB - RN) [Brazilian Democratic Movement Party - Rio Grande do Norte] still has not set a date to present his report. He has already told everyone he will modify Suassuna's report.

It seems as if it is being done on purpose. As the Senate modified the Ney Lopes report, which had been approved at the lower house, the bill will now have to go back to the Chamber of Deputies for approval. The thick-skulled conservatism that prevents us from eliminating the only obstacle for the transfer of technology to Brazil is shocking. The absence of a law on intellectual property and the protection of industrial patents — particularly in pharmaceuticals and food — is disturbing.

Countries like the PRC and India already have laws which comply with international standards. Brazil is now with Turkey, Bulgaria, and the Malaui Republic — which make up the backwardness rear guard. It is as tragic as it is comical to see that a second or third-rate lobby [given in English], which comprises a few pharmaceutical laboratories allied to backward fundamentalists and some who are still nostalgic about the military regime, can harm the country so much.

It is a mistake to believe the law only meets U.S. interests. Everywhere else in the developed world research is conducted by private companies. Gubernatorial organizations are no longer responsible. It is therefore understandable for companies to want to be compensated for their research because they invest billions of dollars.

This is why "third-age" industrial countries, which are very strong in the field of services and technology, demand strict laws on patents and copyrights. As a result, the last act of the Uruguay Round includes in its chapter on Trade-Related Intellectual Property Rights the international norms that have already been approved by over 100 countries, including Brazil.

We must never believe this sort of protection is unilateral. Brazilian private and official researchers, including the competitive Embrapa [Brazilian Agriculture and Livestock Research Enterprise], are exposed to international piracy. Persisting in this intransigence is very expensive: the lack of laws greatly restricts cooperation in the field of technology.

Officials know very well about the diplomatic embarrassment and the economic losses that result from this anachronistic intolerance. It is unforgivable that small points, like a longer or shorter term of certain guaranties, can grant us the reputation of being a backward country of pirates.

Minister Signs Cooperation Agreement in PRC

PY0408182695 Sao Paulo GAZETA MERCANTIL in Portuguese 27 Jul 95 p B16

[All names as published]

[FBIS Translated Text] Agriculture Minister Jose Eduardo de Andrade Vieira signed a memorandum of understanding with his PRC counterpart Liu Jiang in Beijing on 25 July. In the document, the two governments promise to promote and develop scientific and technological activities in agriculture, livestock, and fishing.

The BRASIL News Agency reports that the document says the two parties realize there are promising prospects for cooperation in agricultural research, animal farming and health, crop husbandry, integrated control of pests and diseases of crops, and the exchange of animal and vegetable germ plasma, as well as research into biotechnology applications. The two countries propose jointly defining cooperation programs and projects, and the establishment of ties between agricultural research schools and institutes.

During his visit to Beijing between 24 and 26 July, Minister Andrade Vieira visited the PRC academy of agricultural sciences and met Water Resources Vice Minister Zhang Chunguan.

He was received at a special meeting by PRC Vice Prime Minister Jhiang Chunyun, one of the most outstanding members of the central government hierarchy. During the meeting, Minister Andrade Vieira conveyed President Fernando Henrique Cardoso's special message to President Jiang. The message views the importance of Brazilian relations with the PRC and asserts that agriculture is a fundamental area in which the two countries can increase bilateral cooperation.

After his visit to Beijing, Minister Andrade Vieira will visit, from 27 July to 2 August, agricultural research centers and projects in Guangzhou and Shenzen, where he will also meet local officials.

On 3 August, he will meet with Singaporean officials to analyze possibilities for production and trade cooperation. The Singaporean agriculture minister is very interested in learning about and cooperating with Embrapa [Brazilian Agriculture and Livestock Research Enterprise].

Ministers Discuss Tax Reform Proposal

PY0808040495 Sao Paulo AGENCIA ESTADO in Portuguese 2009 GMT 7 Aug 95

[Text of communique issued by state governors after meeting with Finance Minister Pedro Malan, Planning Minister Jose Serra, and Justice Minister Nelson Jobim at the Liberdade Palace in Belo Horizonte on 7 August; read by Minas Gerais Governor Eduardo Azeredo]

[FBIS Translated Text] After meeting today with the finance, planning, and justice ministers at Liberdade Palace, the state governors hereby convey their confidence in finding solutions to the necessary tax and fiscal reforms, as well as to the administrative reform, and note that an adequate formulation of these reforms — which may be achieved through specific technical analysis and discussions — will be in the best interests of all the governors, given their responsibility as managers of public assets and their obligation to meet the needs and demands of the public for the purpose of correcting the profound social inequalities existing in our country.

The governors and ministers believe that the Belo Horizonte meeting, by contributing to promoting the democratic dialogue encouraged by President Fernando Henrique Cardoso, has been a significant step toward achieving the common objective of providing Brazil with a tax and fiscal reform that would take into account the needs of both the states and the federal administration and that would be implemented through a gradual, safe process.

Through the exchange of information and viewpoints that took place during the meeting, the governors and ministers have concluded that it is indispensable for the above reform to abide by fundamental guidelines such as equality among citizens and states, stability, the strengthening of the federal administration, and the effectiveness of future legal provisions in expanding the tax base and in putting an end to tax evasion, in order to promote a harmonious economic development and social balance both within the federal administration and of all the states.

They also consider it to be essential, in order for the future tax and fiscal laws to be both effective and applicable, that an effort be made to simplify, to rationalize, and to decentralize these laws with a view to increasingly integrating the federal administration, the states, and municipal governments in collecting revenues, in monitoring taxes, and in promoting the correct use of public funds.

Government Restricts Financing of Textile Imports

PY0708171995 Sao Paulo AGENCIA ESTADO in Portuguese 2009 GMT 4 Aug 95

[FBIS Translated Text] Brasilia, 4 Aug (AE) — By banning the importation on credit of 42 textile products, Brazil has annoyed its Common Market of the South [Mercosur] partners: Uruguay, Paraguay, and Argentina. These products may now be imported only by paying cash. Although the Brazilian Government seeks to protect the Brazilian textile industry from unfair competition, it is believed that the ban will not yield the desired results.

One importer of textile products today said there are several ways to circumvent the ban and to continue to finance these imports for up to two years. One way is by using Central Bank Resolution 63, which allows domestic transfers of dollars earned abroad.

The ban has been in force for two weeks, but the administration may suspend it pursuant to negotiations that are under way within Mercosur. Uruguay, which exports wool textiles to Brazil, formally lodged a protest with the Brazilian Government over the restriction.

In the next few days, the administration is expected to issue new rules to exempt imported fibers that are intended for export (drawback mechanism) from this restriction.

The list includes the Brazilian Foreign Trade Classification (NBM) product number as well as the appropriate description. Among the items listed are pants, jumpers, shorts, cotton shirts, nightshirts, sweaters, vests, trench coats, woolen coats, and synthetic fiber coats.

Chile

Pinochet Reportedly Threatens To Stage 'Coup'

PY0708155195 Madrid EFE in Spanish
1751 GMT 5 Aug 95

[FBIS Translated Text] Santiago, 5 Aug (EFE) — General Augusto Pinochet, former Chilean military ruler and current commander in chief of the Chilean Army, threatened to stage a coup d'etat unless the administration and the political parties agree to negotiate a solution to the pending human rights trials.

The conservative magazine QUE PASA revealed this information in its issue that hit the streets on 5 August. QUE PASA reports on backstage maneuvers related to the civilian-military crisis which calmed down after Chilean President Eduardo Frei and Gen. Pinochet met on 1 August.

QUE PASA reported on what it calls "the night of terror" at Interior Minister Carlos Figueroa's residence a week prior to the president's meeting with Pinochet. On that occasion, Defense Minister Edmundo Perez Yoma briefed the presidents of the parties of the ruling coalition and the ministerial political committee about the "extremely serious situation with the Army."

Perez Yoma reported on his earlier meeting with Pinochet, who submitted four petitions and finally said: "Minister, you know we do not want to stage another coup d'etat, so don't force us to do so."

QUE PASA reported that this phrase apparently "gave those present at the meeting the shivers, which is what Perez Yoma wanted."

Following the defense minister's "doomsday report," Socialist Party President Camilo Escalona and Party for Democracy President Jorge Schaulson — the politicians who were most reluctant to negotiate pending human rights issues — said they were willing to seek negotiated solutions.

Pinochet's petitions were the ones he submitted to President Frei. First he wants the courts to dismiss the trial against his son involving checks worth $3 million. The administration had resolved this matter even before the meeting because the State Defense Council had chosen to not appeal the dismissal handed down by a civilian judge.

The second item was a salary hike for Armed Forces personnel, to which the administration has already agreed and only the amount is being discussed at this point, according to Finance Minister Eduardo Aninat.

The third item is amnesty for 800 pending human rights trials. This issue will be submitted to Congress. President Frei has already rejected the fourth, and final, petition: a pardon for General Manuel Contreras, retired, the former secret police chief.

This retired officer was sentenced to seven years for the murder of former Chilean Foreign Minister Orlando Letelier, who was killed in Washington in 1976. Although the sentence was handed down on 30 May, Contreras has not gone to prison yet, claiming health reasons.

QUE PASA reports that Frei's answer to Pinochet on this subject was "categoric." Frei told Pinochet that the former secret police chief's remarks to the effect that he would "not go to any prison," were totally unacceptable because they implied a challenge to the state of law and to the president's authority.

Frei-Pinochet, Civil-Military Ties Viewed

PY0808014895 Santiago QUE PASA in Spanish
5 Aug 95 pp 16-19

[FBIS Translated Text] The expected meeting between President Eduardo Frei and General Augusto Pinochet, held on 1 August, confirmed that a relaxed atmosphere had replaced the strained atmosphere experienced in the civilian-military relationship. During the 55-minute meeting, Frei and Pinochet openly expressed their viewpoints, but they were both aware that the atmosphere for a dialogue was beginning to take shape.

While the "summit" between Frei and Pinochet was taking place, there was a strong signal that the "appropriate atmosphere," a requirement established by the head of state to solve the pending issues of the transition process, was settling in earlier than expected. Around noon on 1 August, in the Senate, the meeting of presidents of Coalition of Parties for Democracy [CPPD] member parties began. White smoke emerged from this meeting three hours later when Jorge Schaulsohn, chairman of the PPD [Party for Democracy], announced they would draft a "broad agenda designed to strengthen the democratic system." Only a week earlier, Schaulsohn and PS [Socialist Party] Chairman Camilo Escalona had rejected a dialogue.

During the meeting with Frei, Pinochet spent the first 15 minutes expressing his viewpoints non-stop, after which Frei responded. Then they both exchanged viewpoints. According to high-ranking Government Palace authorities, Pinochet allegedly said that retired General Manuel Contreras should not go to a prison guarded by the National Prison Police. Although some sources stated that he did not further elaborate on the subject, others assured that he harshly criticized National Prison Police Director Claudio Martinez, insisting that he did not trust him. Pinochet particularly criticized Martinez for allowing a former DINA [National Intelligence Directorate] agent, Osvaldo Romo, to appear making statements on the Univision television channel. In Pinochet's opinion, Romo was under the effect of drugs.

General Pinochet also referred to the four petitions made to [Defense Minister Edmundo] Perez the week before: the case of the Valmoval checks, the readjustment of the Army budget, the amnesty for the human right cases, and the pardon for Gen. Contreras. Regarding the case of the checks, he thanked Frei — "on behalf of the institution" — for his personal and public intervention to convince the State Defense Council to give up its decision to request that the case be reopened. When he raised the Army budget issue, he went into some detail about the Army's low salaries. Pinochet knew, however, that these two issues had been resolved favorably by Frei.

Upon referring to Contreras, Pinochet reiterated his argument that it is inconvenient for a former Army intelligence director to go to prison. Frei's response on this subject was categorical. He reiterated that Contreras must serve his sentence in Punta Peuco, noting that the statements by the former DINA director to the effect that he would "not go to any prison" were unacceptable because they implied a challenge to the state of law and to the president's authority.

Regarding the amnesty, Frei expressed his willingness to seek formulas that will help heal the wounds of the past. He also took advantage of this subject to express his disagreement over the military demonstration in Punta Peuco, stating that it was an example of gestures that do not contribute to creating the necessary atmosphere for a reconciliation. Nevertheless, the result of the meeting — requested by Pinochet — clearly fulfilled its objective: It gave a strong public signal of a relaxation that already existed following the change of attitude on the part of the leftist sector within the CPPD.

One of the factors that contributed to a sudden relaxation of Schaulsohn's and Escalona's inflexible stances was the initiative by Genaro Arriagada (PDC) [Christian Democratic Party], minister secretary general of the presidency. In the midst of the crisis, and at La Moneda's request, he was charged with untying one of the knots that prevented a more relaxed atmosphere: the PPD and PS permanent rejection of a dialogue to solve the pending human rights problems. For this purpose, Arriagada started a private round of talks with leaders of the two parties. According to Socialist and La Moneda sources, Arriagada seemed the most appropriate member of the political committee to bring the PS and PPD to their senses because he has a closer and longer relationship than ministers [Interior] Carlos Figueroa and Edmundo Perez Yoma with the leaders of the two parties. Arriagada worked hand in hand with them since the beginning of the CPPD, in the late 1980's, and, for this reason, the PS and PPD have more confidence in him than in the interior and defense ministers.

Having successfully concluded his mission, Arriagada improved his image within the government after several difficult months during which he was criticized and had to shoulder his and other people's mistakes.

On Tuesday, 1 August, the chairmen of the CPPD member parties agreed in Valparaiso to start discussing an agenda of subjects designed to solve the pending human rights cases and the constitutional reforms the government intends to carry out. The first meeting to discuss this agenda was set for Friday, 4 August. That day the governing parties would decide who would represent them during the meetings. One of the agreements reached on Tuesday was to study the possibility that the final proposal, agreed on with the rightist sector, be subject to a referendum to obtain the people's approval. But La Moneda does not approve of that alternative because it would imply the risk of strengthening political sectors such as the Communist Party that would start a campaign for the no-vote, profiting with the rejection and artificially increasing the support it allegedly enjoys.

At the same time, on 1 August, during a luncheon in the Chamber of Deputies dining room attended by the CPPD senators and political ministers, Perez Yoma as well as Arriagada made it quite clear that the government would take the initiative and work, together with the CPPD, to draft a legal proposal that would be submitted to Congress, where the proposal would then be discussed with the rightist sector. But they stressed that that process would proceed without haste, taking all the time needed.

According to CPPD sources, Arriagada will continue to play the role he has carried out so far because he will be in charge of coordinating the discussions of the proposal with the political parties and CPPD legislators. Arriagada will head a committee that will also include Justice Minister Soledad Alvear and Senators Juan Hamilton (PDC), Andres Zaldivar (PDC), Carlos Ominami (PS), or Jaime Gazmuri (PS). But the government has decided that the legal alternatives regarding the human rights issue and the constitutional reforms will be discussed through other channels to avoid one being mistaken for the other.

The story of how "order was restored" within the CPPD after weeks of public disagreements regarding the dialogue is relatively short. A high-ranking La Moneda source described the sudden removal of the trap in which the government was caught regarding the crisis: "The solution came suddenly, when the situation was at its peak and everyone — the CPPD, the rightist sector, and the Army — started to behave."

Several factors probably contributed to the relaxation of the atmosphere.

On Monday, 24 July, during a meeting at Interior Minister Carlos Figueroa's home, an evening that was described as "the night of terror," Defense Minister Edmundo Perez informed the presidents of the CPPD member parties and the members of the political committee about the extremely serious situation with the Army. In a style that was unanimously termed "alarmist," he gave a detailed account of his meeting that morning with Gen. Pinochet. In addition to describing the Army's four petitions, Perez Yoma added a very dramatic element. He said that Pinochet ended the talk by saying: "Minister, you know we do not want to stage another coup d'etat, so don't force us to do so." This phrase apparently gave those present the shivers, which was ultimately what Perez wanted.

Following Perez Yoma's catastrophic account, even Schaulsohn and Escalona were willing to seek solutions within a framework of negotiations. According to PDC sources, Schaulsohn had even allegedly said he was in favor of pardoning Contreras in the future if democratic stability was at stake. Perez, however, being skeptical, allegedly asked the chairmen of the CPPD member parties for a promise in writing that they would maintain their willingness to hold dialogue. At the end of the meeting, all those present agreed to meet again on Wednesday, 26 July, and set Thursday, 27 July, as a deadline to show concrete progress regarding the subject because Perez Yoma and Pinochet had agreed to hold another meeting on Friday, 28 July. Two days later, on Wednesday morning, when the atmosphere was notoriously relaxed following the State Defense Council's decision to not request that the "checks case" be reopened, Escalona and Schaulsohn once again gave the government a headache. They both arrived at the meeting with the cabinet's political committee, in Figueroa's home, with the same rigid attitude maintained in the previous weeks. They not only refused to help draft a negotiations proposal, but also left the meeting to go to their respective party headquarters, where they held news conferences during which they made harsh comments against negotiating a solution to the crisis "at gunpoint."

However, that same afternoon, Minister Arriagada started harvesting the results of the round of talks he had conducted the week before with the main PS and PPD leaders. On Tuesday, 25 July, Arriagada had lunch with Schaulsohn — who insisted on postponing the talks until next March — and former PPD Minister Victor Manuel Rebolledo. On this occasion, he pointed out the need for all CPPD sectors to unanimously show their immediate willingness to a dialogue. Moreover, that week he got in contact with Camilo Escalona and PS Vice Chairman Ricardo Solari and his Secretary General Gonzalo Martner to convince them to accept a dialogue.

On Wednesday afternoon Arriagada received clear signs that his political efforts were proving effective and that the PS and PPD were willing to change their attitude and agree to a dialogue. The first sign that order was being restored within the CPPD was the unanimous support given by all its member parties to Frei's request to the State Defense Council to desist in appealing the Supreme Court's ruling regarding the "checks case."

On Wednesday PDC Chairman Alejandro Foxley also personally was able to witness that a relaxation of the atmosphere had started. By that evening PS Vice Chairman Ricardo Solari got in contact with the PDC leadership to inform them that his party was willing to grant a vote of confidence to the government to lead the dialogue, but that it would not publicly praise the idea. On the contrary, Solari said they would express their disagreement over the moment in which this dialogue was starting. Solari said that the PDC could not ask the PS for a public gesture of approval for the dialogue, still less at a time when they were burying socialist leader Eduardo "Coco" Paredes, director of the Investigative Police during the Popular Union, who was killed after being arrested at La Moneda on 11 September 1973.

The willingness to publicly approve the dialogue surfaced earlier within the PPD than within the PS. Foxley and PDC vice chairmen Jorge Pizarro and Claudio Huepe realized this on Thursday, 27 July, when they held a round of talks with the leadership of the two parties. First they met with the PPD at Vice Chairman Erich Schnake's office. The first part of the meeting was devoted to settling matters with Jorge Schaulsohn, with whom Foxley and Pizarro had exchanged bitter words. They then discussed how to publicly announce the dialogue without making the PPD appear as being defeated by the PDC, because it had just publicly rejected the dialogue promoted by Foxley.

The strategy they agreed to adopt was to reject the human rights draft bill proposed by the RN [National Renewal Party] and the UDI [Independent Democratic Union] as the starting point for a dialogue and, instead, to draft the CPPD's own proposal. The PDC, in turn, asked Schaulsohn not to announce — as had been agreed upon since Monday, 24 July, by the PPD's political commission — the formula for a plebiscite at the General Council on Saturday, 29 July, because it would place the PDC in an awkward position and would enhance the image of a divided CPPD.

On Monday morning, Escalona again expressed to the PDC his unwillingness to publicly approve the dialogue. But that same night, after a four-hour meeting, the PS political commission agreed to publicly announce its willingness to hold a dialogue. Likewise, on that same day, the necessary conditions surfaced for Foxley, Schaulsohn, and Escalona to public approve that dialogue during the conference held on Tuesday, 1 August.

Before white smoke emerged from the CPPD, RN Chairman Andres Allamand held continuing private talks with Foxley and Escalona. During these meetings, he allegedly asserted that his party was willing to discuss, in the near future, not only the human rights problem but also the constitutional reforms.

Allamand allegedly voiced his agreement to the CPPD's strategy to draft its own proposal, which would be submitted to Congress. With this proposal, and not the RN's and UDI's proposal, a debate with the rightist sector would start in the near future within Congress. The RN chairman had allegedly said "put all the meat on the fire," referring to the breadth of the agenda. The PDC is sure that Allamand is acting with the full agreement of Army Deputy Commander Guillermo Garin.

Colombia

Samper Appoints Esquerra Defense Minister

PA0808044395 Mexico City NOTIMEX in Spanish 0407 GMT 8 Aug 95

[FBIS Translated Text] Santa Fe de Bogota, 7 Aug (NOTIMEX) — Colombian President Ernesto Samper today appointed attorney Juan Carlos Esquerra as new defense minister, local radio stations have reported.

Sources stated that 46-year-old Esquerra will replace Fernando Botero Zea, who resigned last week over a scandal on the alleged filtering of narco-trafficking money in politics.

The scandal emerged after Santiago Medina, former treasurer of Samper's electoral campaign, had said the campaign of the candidate at that time was financed partly by the mafia with the approval of Botero, who was manager of the campaign.

Esquerra, a liberal, was part of the constituent assembly that promulgated the political Constitution in Colombia in 1991.

Esquerra is scheduled to take office on 8 August, thus ending a five-day stint in the post by General Camilo Zuniga, commander of the military forces.

Presidents of Peru, Venezuela Congratulate Samper

PA0608180995 Madrid EFE in Spanish 1625 GMT 6 Aug 95

[FBIS Translated Text] Santa Fe de Bogota, 6 Aug (EFE) — Sources close to the president of Colombia have reported that Peruvian President Alberto Fujimori and Venezuelan President Rafael Caldera today telephoned their Colombian counterpart, Ernesto Samper, and congratulated him for the capture of Cali Cartel kingpin Miguel Rodriguez Orejuela.

Samper received the telephone calls at the House of Illustrious Guests in Cartagena de Indias (Caribbean coast) where he spent the weekend to prepare his national address on the occasion of his first anniversary as chief of state, tomorrow, 7 August.

According to sources, the Colombian president spoke approximately 10 minutes with Fujimori, whom he had accompanied a week ago on the occasion of Fujimori's second-term presidential inauguration in Peru. He also had a 10 minute conversation with Caldera, who will officially visit Colombia in September.

Rodriguez Orejuela, allegedly the Cali Cartel's second most important man; and Helmer Herrera, alias Pacho, were the only two remaining members of the Cali

Cartel command who were free. Rodriguez Orejuela has been captured and Herrera apparently is working on his surrender to the authorities, spokesmen for the Prosecutor General's Office have reported.

Foreign Trade Minister Denies Economic Crisis

PA0708135295 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 4 Aug 95

[Report by Victor Lopez from Barranquilla for "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] Foreign Trade Minister Daniel Mazuera Gomez has reassured the country's businessmen by stating there will be no economic crisis. He said: We refer to the stability that our country's economy has traditionally shown. It is one of the most stable in the continent, the minister emphasized, although he admitted that some problems have circumstantially appeared.

[Begin Mazuera recording] There is some concern and this has been evident in the Colombian stock market activities. However, I believe this will be a circumstantial problem that will be quickly overcome. [end recording]

Meanwhile, President Ernesto Samper Pizano, who will address the Fedemetal assembly closure today, will respond to the concern stated by labor union leaders concerning the gray points which appear in the national economy.

Committee Said Studying Insurgent Finances

95CA0324A Santa Fe de Bogota CAMBIO 16 in Spanish 17 Jul 95 pp 38-46

[FBIS Translated Text] With amazement, the government has just confirmed that the guerrilla movement is accruing income exceeding that of all Colombia's legal industries. Every hour, nearly 56 million pesos are received by the National Guerrilla Coordinating Group [CNG] (representing the FARC [Revolutionary Armed Forces of Colombia], ELN [Army of National Liberation], and EPL [People's Liberation Army]): in other words, 1.344 billion pesos per day. Four years ago, the money being raised by the guerrrilla movement amounted to only 25 percent of that total.

This conclusion was reached by the Inter-Institutional Committee for the Study of Finances of the Subversives, a secret investigative group formed by the national government to follow the trail of the armed rebels' money.

Every Tuesday, the committee's 10 members meet to update and disclose the accounts of the armed insurgents. Participating in the round-table discussions are military intelligence experts from the Administrative Department of Security (DAS), the police DIJIN [Judicial and Investigative Police Directorate], and the Presidential Advisory Board for National Defense and Security.

The information used comes from armed agencies and secret agents, as well as tax, banking, and financial agents in the country.

All the documents or items confiscated from the guerrilla movement (associated with money) are known to them. They also receive regular cooperation from rebel informants or deserters, and from the finance chiefs that the Army has captured (between 100 and 150 annually).

The subversives' economic power in the country has reached the point where EL ESPECTADOR, in its edition of Thursday of last week, reported that "the guerrilla movement has opened its loan bank to the peasants." The daily paper notes that this fact was learned in Barranquilla during a meeting held by officials from the Agriculture and Health Ministries with representatives of peasant leaders.

The Liberal representative from Atlantico, Ines de Vargas, reported: "We know that they (the guerrillas) arrive and offer them a certain amount of money, lending it without imposing any requirements; and later, they establish their controls. So, the peasant must comply, because they are people who have to live under those rules and the law of bullets."

According to the latest balance sheet prepared by the Inter-Institutional Committee, during 1994 the CNG received at least 490 billion pesos, of which amount it spent 58 billion. This means that its profits totaled 432 billion pesos, a sum far exceeding that accrued by the country's most profitable legal company: the National Coffee Fund, which earned 365 billion pesos last year. And it is twice the amount earned by Ecopetrol [Colombian Petroleum Enterprise], the second-ranking Colombian industry, which accrued 216 billion pesos. This reality alarmed the authorities so much that the agency began to devise a bill intended to become the first statute for combating the guerrillas' finances.

According to the colonel coordinating the investigative group, the situation is such that "the subversives have sufficient funds, for example, to stop committing crimes right now, and to subsist for 20 years doing nothing."

The income received also includes the dividends earned by the CNG from investments in various sectors using a legal front. During 1994 alone, they amounted to 47 billion pesos. The sectors most often used are "farms, business firms, hotels, cooperatives, drugstores, printing establishments, workshops, dredging firms, and vehicles carrying freight or transporting persons, among others."

The Revolutionary Armed Forces of Colombia are the guerrilla group with the largest economic capacity. Last year, they posted income totaling 269 billion pesos, as opposed to the 200 million received in 1993. In other words, the increase exceeded 25 percent.

The Committee concluded that, "This group has carried out a special activity in the coca producing regions and those considered the best for growing poppies, converting the drug traffic into its main source of income. Kidnapping, and extortion of sectors engaged in mining, livestock raising, and transport facilities, constitute another major factor in the organization's economy, without excluding the funds obtained from cattle rustling, holdups, working as hired killers, and other means, such as diverting money from the public treasury."

Also making use of these activities are the Army of National Liberation and the People's Liberation Army. The Committee's figures show that, last year, the FARC earned another 20 billion pesos from the drug traffic, thanks to the increase in their operations. The latter were previously concentrated on the collection of "taxes" or the "gram tax" levied on growers and processors, the "toll" collected per kg of drugs exported, and the fees for security of clandestine landing strips and laboratories, and for the loading and unloading of aircraft.

They also gained 5 billion additional pesos from "vacuna" [protection money exacted from cattle ranchers], cattle rustling, holdups, and minor extortion. There is such a variety that one source queried by CAMBIO 16 gave the reminder:

"No one can forget that, a few months ago, several head of cattle were found grazing peacefully, and the animals were branded with symbols of the guerrilla movement."

The government's report indicates that the FARC maintained their income based on "taxes" totaling 20 billion pesos, imposed on the mining sector. They tripled the money paid by kidnap victims (from 18 to 60 billion pesos), and reduced by 2 billion pesos the diversion of government monies, which declined from 12 billion pesos in 1993 to 10 billion in 1994. However, the proceeds from their investments improved by 400 percent.

Another document from the Committee claims: "Most of the FARC's income ends up in the hands of the general secretariat, which serves as the principal fund for the organization's reserves and growth, because the financing costs are assumed by each of their 60 fronts."

For 1993-95, the Bolivarian Campaign for a New Colombia [Campana Bolivariana Por Una Nueva Colombia] set as a target the sending of 180 billion pesos to the Secretariat. The source, who obviously must keep his name confidential, adds: "The Secretariat readily approves any disbursement from a front's bank, if the purpose is to purchase arms and ammunition. If the front lacks funds, and a good opportunity to purchase them arises, it attempts to have the money sent to it one way or another."

Based on the logbooks and messages confiscated from "couriers" of the guerrilla organization's staff, it is calculated that the FARC spend at least 5 billion pesos on the purchase and manufacture of military equipment.

"Besides the costs associated with the use of violence, the FARC maintain a political apparat and various front organizations. They support the movement's international liaisons abroad, and pay the attorneys of captured guerrilla fighters."

According to the Committee members, the self-financing principle of every front implies that each commander must establish in his territory sources of financing sufficiently affluent to keep the front operating indefinitely, and to produce a constant cash flow. An expert from the Presidential Advisory Board for National Security indicates: "When one is responsible for the welfare of 50 or more armed guerrilla fighters, it is indispensable not only to find the means of feeding and clothing them, but also to make sure that the money for emergencies arrives in time."

The Committee has confirmed that, for this reason, the first thing done by the FARC when they want to view a region's economic potential is to take a census, in order to learn whom to kidnap or extort. "They prefer the 'vacunas,' because no commander can be sure of how much money he will collect from kidnappings, or when. But he can be certain about extortions, owing to their immediate, continuous nature. In this type of action, the collection guarantees the victim that there will be no attack against his life or property, and that he will be protected against cattle rustlers, land invaders, other extortioners, and robbers."

One example of an economic-political census was that seized in San Jose del Guaviare from guerrilla fighters belonging to the Angel Bonilla and Jaime Pardo Leal Fronts, who were carrying part of the "Personal Census and Logbook of Information on the Eastern Plains and Cundinamarca." Each form had been typewritten, based on the same model, and had 30 questions, prominent among which were those relating to: sex, age, occupation, type of housing, whether owned or rented, value of the land, number of hectares, and types of crops. There are additional boxes for entering the number of hauling animals, chickens, ducks, and cattle; and for social class: first, second, or third. Appearing as annexed data were lists of cars, storage places for foodstuffs, shops, and commercial premises, and information on the local banking entities.

Nevertheless, during recent months the ELN was the guerrilla movement that most increased its assets and income. Whereas, in 1993, it took in 88.9 billion pesos, during 1994 that figure more than doubled, reaching 211.752 billion pesos.

To achieve this, it tripled the income from kidnapping, especially that of employees of foreign companies, whose ransoms are usually collected in dollars.

To cite one example: it is currently demanding over $10 million for the release of two Italian engineers held in Barrancabermeja.

It gained nearly twice the amount of money from extortions, the majority of which involved large companies. For example, at La Jagua in Ibirico (Cesar), it obtained 2 billion pesos per year from the "war tax."

According to the official report, the ELN managed to triple its income from the drug traffic, and to double that from cattle rustling, holdups, and diversion of petroleum and mining royalties. Its receipts from border "taxes" on freight and stolen vehicles entering the country from Venezuela are in the billions as well. A member of the DAS who also participates in the analysis group reports: "The amount is between 150,000 and 500,000 pesos per vehicle, and is sometimes collected based on quantity: out of every 10 stolen cars, they keep one, which is added to the fleets that they have in Norte de Santander and Arauca."

The confidential document in which the Committee analyzes the trends and characteristics of the ELN's economy concludes that: "Although it has a considerable financial capacity, the decentralization of its finances (unlike those of the FARC), the deficient monitoring of its funds (not even its national leadership knows the amount of the organization's income), and the recent ideological differences have caused a coexistence of rich fronts capable of accumulating surpluses with poor fronts making hardly enough to survive."

According to geographical location, this group has the following economic objectives: The northern war front (Atlantic coast) has in its sights the coal in Cesar, as well as the livestock industry and agriculture. The northeastern war front (Arauca, Boyaca, and Casanare: the so-called ABC Plan, and the Santanders) has an interest in petroleum, agriculture, contractors, and public funds. The north-western war front (Antioquia and southern Bolivar) is going after gold, petroleum, and the river transport companies. The central war front (Bogota, Cundinamarca, Meta, old Caldas, and Tolima) is the poorest structure, surviving on extortions of private entities and of the financial sector. And the southwestern front (Valle del Cauca, part of Choco, Huila, Cauca, and Putumayo) obtains its livelihood from the drug traffic.

The EPL dissident group shows minimal figures compared with those of its associates, according to the investigators, "because its financial structure has been hard hit as a result of the countersubversive operations." Its two principal leaders and financial chiefs, Francisco Caraballo and Humberto Javier Callejas Rua, are in prison, and many of its assets are frozen (see table). Despite this, in 1994 that group collected an additional 1.5 billion pesos from kidnappings, improved its links with drug traffickers and smugglers, and picked up another 1.1 billion pesos from holdups and robberies. However, it obtained 200 million less from extortions. Furthermore, it receives shares of support from the other two movements comprising the CNG: the FARC and the ELN.

It is officially calculated that the increase in income of the FARC, ELN, and EPL from kidnappings in 1994 totaled 81.5 billion pesos. Last year, the guerrilla movement gained 124 billion pesos from ransoms of captive persons, but the Defense Ministry knew of only 593 kidnappings attributable to these groups, distributed thusly: 295 to the FARC, 266 to the ELN, 23 to the EPL, and nine to the Jaime Bateman Cayon Movement.

According to the Committee, this does not mean that every kidnap victim paid 209 million for his release, but rather that over half of the kidnappings were not reported.

In the view of the chairman of the Association of Colombian Cattlemen [FEDEGAN], Jorge Visbal Martelo, these figures are impressive, but real. "Last year, 500 livestock raisers were kidnapped, the majority by the guerrilla movement, and it is estimated that they paid 150 million pesos for each ransom."

As for extortion, "of the 64,147 livestock raisers who own over 100 hectares, it is estimated that 40,000 are victims of 'threats' and extortion. FEDEGAN estimates that the annual average amount of the 'vacuna' paid by each livestock raiser is a million pesos. Cattle rustling is no less disturbing: in 1994, over 125,000 head of cattle were stolen, a crime causing the loss of 56 billion pesos." Visbal Martelo describes the situation as follows:

"Crime and subversion are costing the association over a third of the annual production."

Another concern of the government is the diversion of regional budgets and royalties to the guerrillas' coffers. Last year, the Committee heard charges against 60 mayors for distributing the municipal budget based on instructions from the guerrilla organizations. Reports that reached the Colombian Federation of Municipalities claim that 225 local governments (of the 1,059 existing) have been pressured by the armed rebels. There are dramatic examples, such as those in Cesar and Casanare, where their 40 mayors have been threatened, and in Santander, where 27 of the 87 agents have to send accounts to insurgent leaders.

In short, every hour in the country, millions of pesos are being raised for the war.

FARC Funds

Source	Amount (in pesos)
Drug Traffic	140 million
Extortion	14 million
Kidnapping	60 million
Diversion of Funds	10 million
'Vacunas' and Rustling	25 million
Total	269,000,000.00 pesos [sic]

ELN Funds	
Source	Amount (in pesos)
Drug Traffic	42 million
Extortion	81.3 million
Kidnapping	60 million
Diversion of Funds	5 million
Rustling and Holdups	3.08 million
Total	191,380,000.00 pesos

[Box, p 46]

The Landholders of the North

The book "Politics and Criteria" offers a good example of how the guerrilla movement controls an economic zone. It explains how the movement establishes regulations, work schedules, and many taxes: $28 million is being paid by six operating companies, and 10,000 pesos by the owners of bars.

"Gold for social benefit," "Oil for the region, not for the gringos," and "Sovereign operation" are the titles of the first two chapters of the book printed and distributed by the ELN last year for the supervision of the rural economy in the departments of Antioquia, Cordoba, Sucre, and Bolivar.

The 73-page document was declared vital, because "it is there that the regions of the north, lower Cauca, northeast, and part of the Middle Magdalena in Antioquia, as well as southeastern Cordoba, southern Sucre, and southern Bolivar, converge."

The guerrilla movement maintains: "The backwardness of these regions contrasts with the immense wealth that they have produced during the past few centuries, and are still producing, both in the form of gold, wood, and agricultural-livestock goods, and in other minerals for industrial use. Likewise, because of their strategic location in the north-central part of the country, they are a necessary passageway for oil pipelines, electric power transmission lines, and most of the merchandise circulating between the Atlantic coast and the rest of the country."

In another part of the introduction, the movement notes: "It is only with the people's participation and benefit that such an economy can be constructed and make progress. For this purpose, it is necessary to promote the establishment of community enterprises, cooperatives, and all the types of economic organization required. This impetus must be extended to the construction of enterprises devoted to commerce and transportation."

Based on these principles, the ELN decided to create reserved zones for mining operations: "Because they are zones in which we have the presence of the two forces (ELN and FARC), we consider it an urgent requirement to draw up unified criteria to formulate a policy in defense of the natural resources and, at the same time, to exercise control not only over operations, but also over the list of persons involved in the 'retros' (backdiggers). We understand reserved zones to be those areas in which the communities and the organization propose to tap this resource in a planned, rational manner. In those zones, they must be the ones who decide on the time, manner and duration of the operations, and the ones who show up to collect the royalties."

The measures include 12-point regulations for the operations (especially those involving gold), in which priority is given to the ELN machinery. "Authorization shall be given to the 'retros' managed by persons known to the community and the revolutionary organizations. In the event that a community obtains its own 'retro,' or does so with an organization, that shall be the one fully entitled to carry out the operations in the village. The authorized 'retro' is entitled to have the following skilled personnel brought in: one administrator, two mechanical operators, the assistants, and the necessary unskilled personnel, who shall be residents of the community," it states.

Furthermore, it orders that, "around every 'retro' and in front of the mine, a committee of panners is to be organized, with a number of members not exceeding 60. They shall work on two shifts, from 0600 to 1200 hours, and from 1200 hours to 1800 hours." The document indicates that the work of the Communal Action boards, which are assigned to establish an agricultural production plan, is basic.

The Committee investigating the subversive economy determined (during the first half of 1995) that the following ELN fronts are operating in this zone: the Alfredo Gomez Quinones, the Jose Antonio Galan, and the Jose Solano Sepulveda, in Cordoba, southern Bolivar, and northeastern Antioquia.

Documents Found in Cartel Leader's Home

95CA0320A Santa Fe de Bogota SEMANA in Spanish 25 Jun 95 pp 22-28

[FBIS Translated Text] *Upon fleeing a week ago, the Cali Cartel chief left behind a case containing a list of payments to members of Congress and prominent persons, which SEMANA discloses.*

The 14 members of the Special Joint Command who had entered apartment 402 in the Colinas de Santa Rita building west of Cali last Saturday, 15 July, spent over six hours tracking Miguel Rodriguez Orejuela, but he did not show up. The agents even began to think that the clues provided by an informant were false, and that it would be best to consider the operation terminated. Nevertheless, the informant insisted that Rodriguez was inside the apartment; hence, they decided to resume the search. Several agents inspected the study, and decided to move an enormous desk located beside the library furniture. Much to their surprise, they discovered that the desk weighed more than it should have, and that something was moving inside it. "We thought that Rodriguez was inside the desk, but we kept failing in our attempts to open the piece of furniture," SEMANA was told by one of the officials who was present during the operation.

Two hours later, a carpenter arrived at the building, escorted by several officials. His assignment was to find the mechanism for opening the desk. But he too failed, and then the Special Joint Command officials decided to break open the piece of furniture. They did not find Miguel Rodriguez but, rather, something that the authorities consider a genuine treasure: three Samsonite brand cases, one in particular crammed with documents. There was everything that one could hope for: notarial records of deeds for at least 60 properties, including real estate in Guadalajara, Mexico; nearly 25 checkbooks containing blank checks, with the special feature of having been signed by prominent persons regarded as front men for Rodriguez; and a list of 70 Cali Telephone Company technicians, responsible for tapping telephone lines and cellular phones (when the officials checked some of the numbers, they were found to belong to high-level officials of the Special Joint Command). Also discovered was a list of the license plate numbers of 300 vehicles assigned to the Prosecutor General's Office and to the three components of the Special Joint Command in Cali.

But nothing drew their attention more than a package of documents containing lists of payments to over 2,000 persons within the past two and a half years, including politicians, sports figures, performers, journalists, and other prominent persons. The agents from the Command and representatives from the Prosecutor General's Office could not recover from their shock when they realized the importance of this material.

Early Sunday morning, they decided that they would have to continue the operation, because the informant was certain that Miguel Rodriguez was there. At 0300 hours, the Command returned to apartment 402 and, upon entering, they were astonished. In one of the halls, there was an oxygen pipette with its accompanying mask; and, at one side, a white towel with some bloodstains. A few meters beyond, there were jeans and a blue plaid shirt, as well as a small executive case with more documents.

Comparison of Data

Miguel Rodriguez had evaded them, but in his flight he had left behind valuable information in one of the three cases. These data are being compared by the authorities with the results of a complete, detailed raid conducted by the Banking Superintendency (to which SEMANA had access). They covered the activity in the checking accounts of four of the cartel's front companies, through which over 21 billion pesos were moved between March and June of last year, at the height of the election period. They are the firms known as Agricola La Loma, Distribuidora El Diamante, Export Cafe Ltda, and Agricola La Estrella. The latter issued the check for 40 million pesos in the name of Santiago Medina, concerning which the Samper campaign's ex-treasurer made a statement to the Prosecutor General's Office.

The comparison of information between that found by the authorities in the raid on Saturday, 15 June and the heaps of check stubs found by military personnel during recent months in other raids in Cali and Bogota, and the results of the Banking Superintendency's investigation of the accounts of the cartel's front companies' should prove definitive. It should explain not only the highly publicized process 8000, but also many other cases of possible cartel relations with prominent figures on the national level.

From the documents comprising this gigantic store of evidence, during the next few weeks the authorities will have to confirm the purpose of a series of checks issued to political leaders. SEMANA managed to determine which of them are being investigated owing to these new discoveries, and it questioned them to obtain their reaction to the information collected. The following is an analysis of each one of the cases:

- Senator Maria Izquierdo, who was already connected with process 8000, will now be investigated concerning two checks recorded in the personal accounts of Miguel Rodriguez. One account is identified on his computer listing with the code LTD4. A first check, numbered 001223 and recorded with the notation "Expenses," appears to have been issued to Maria Izquierdo on 6 January of this year, in the amount of 5 million pesos. A second check, numbered 001224, for 3 million pesos, apparently was issued to her on 8 January. From the outset, the senator has admitted that, to pay the expenses of her husband's kidnapping, she sold a few lots of livestock to some companies that turned out to belong to the Rodriguez Orejuela brothers. Apart from this, the congresswoman does not admit any connection with them.

%Senator Francisco Jose Jattin appears on the same list, as if he had received check 001232, dated 15 January of this year, under the heading "Christmas," in the amount of 20 million pesos. When asked about this check by SEMANA on Saturday morning, he remarked: "I have never had relations or links with the Rodriguez family or with their companies. I am not acquainted with those gentlemen. This is another strange disclosure, because I wasn't expecting information like this."

%In the case of the ex-representative in the Chamber, Jaime Lara, the authorities are probing to learn whether his name is the one on five checks appearing on the same list that were identified as made out to "J. Larandia" and "Jaime L." There is a check for 20 million pesos (number 001258, of 25 January of this year), one for 10 million (001353, of 25 February), and three for 5 million pesos each, issued between March and May. SEMANA made an unsuccessful attempt on Friday and Saturday to obtain his reaction.

%In the case of Senator Jose Ramon Elias Nader, the authorities are attempting to determine whether he is associated with a check numbered 001231, recorded under the heading "Christmas," and issued for 20 million pesos on 15 January of this year. SEMANA queried the Liberal senator, who commented, "Someone else must have cashed that check, because it wasn't I."

%In the case of the Chamber's ex-president, Alvaro Benedetti, the authorities are investigating two checks: one, number 001236, dated 15 January of this year, for 25 million pesos; and another, number 001234, for 20 million, recorded under the heading "Christmas" and issued on 20 January of this year.

%In the case of Representative Jairo Chavarriaga, the authorities are investigating whether he is associated with check 005465, issued on 8 March under the heading "Christmas," in the amount of 20 million pesos. They are probing his connection with another check entered on the same list, also under the heading "Christmas," for the sum of 5 million pesos, issued on 9 March.

%In the case of Representative Dario Martinez, the investigators are seeking to determine whether he is the beneficiary of the check on the same list of presumed congress members, on which his surname appears with a reference to the city of Pasto. The check is number 005516, dated 26 March, for 20 million pesos. SEMANA left several inquiries for Martinez on Saturday, at his residence in Pasto, with his wife, Miriam.

%The situation of Senator Armando Holguin is somewhat different from that of the preceding. He appeared on a far more detailed list of the accounts of one of the cartel's principal companies, Distribuidora La Loma. He was issued a check, number 3213718, from Banco de Colombia, for a million pesos, on 18 May of last year. SEMANA tried unsuccessfully to locate the congressman.

The authorities have taken note of various details associated with the aforementioned list. Several of the checks were issued between 15 and 20 January, each with 20 million pesos as the amount, and, in the "Item" column of the list, notations such as "for Christmas" or "Christmas" appear. SEMANA was told by one of the investigators: "It is impossible not to consider the item a Christmas bonus." Other names such as "Dr. Miguel," "Dr. Rincon," "Jose Dovio," "Dr. Chucho Cauca," "Dr. Carmelo," and "Dr. Canda" appear on the list with the same heading: "Christmas."

The Clear Accounts

A series of clues has prompted the investigators to think that Miguel Rodriguez has recently been obsessed with putting his accounts in order, and obtaining a clear view of which prominent persons have received his payments, and the amounts thereof. Apart from the cases cited previously, which contribute completely new data to the investigations, and especially to process 8000, there are other reports that have made it possible to confirm already known facts.

This applies to the checks issued to ex-Senator Eduardo Mestre and the journalist, Alberto Giraldo, both held in La Modelo prison. On a long list of checks found among documents confiscated at residences where Miguel Rodriguez has stayed since being zealously hunted by the authorities, Mestre's name appears three times. According to this list, on 7 March 1994, check 3213662 for 5 million pesos was issued to the senator. On 6 April of the same year, check 3213702, again for 5 million pesos, appears issued to him. On 10 June 1994, the same issue appears repeated, in the same amount, with check 3267429. According to the collected evidence published by the news media since Mestre's arrest, the preceding issues would appear to be part of the same series to which a check, now known, dated 10 July 1994 with number 3267440, also issued for 5 million pesos, belongs. As may be recalled, on some of the certificates of deposit disclosed a couple of months ago by the news media, the heading "Monthly Pay" appeared to justify said transactions. The ex-senator has offered a different explanation, associating these check issues with commercial transactions with Mr. Omar Perez, a person authorized to issue checks for the La Loma firm.

Nevertheless, the fact that a list that was in Miguel Rodriguez' possession has appeared quite clearly, with checks issued through Distribuidora La Loma (and signed by Omar Perez), and that they include payments to Julian and Tulio Murcillo, Martha Lucia Echeverri (Miguel Rodriguez' second wife), and many soccer players, including several America de Cali [Colombian soccer team] players, leads to the conclusion that these accounts did not pertain to Omar Perez' commitments for payment, but rather to those of Miguel Rodriguez himself.

The journalist Alberto Giraldo appears with seven checks issued, totaling 28.5 million pesos. The payments also were made by Omar Perez, legal representative of Distribuidora Agricola La Loma. The disbursements were made between April and June 1994, and were deposited in accounts in the Savings and Housing Corporation, Colmena.

Recorded on the lists known to SEMANA are the names of approximately 500 persons to whom bank issues were made during the first half of 1994, in the amount of 4.8 billion pesos. Well known names appear in those documents, such as those of the brothers Julian and Tulio Murcillo, for whom Miguel Rodriguez deposited 74 million pesos, through Agropecuaria La Loma.

An odd case is that of Maria Lucia Echeverri, to whom her husband, Miguel Rodriguez, issued 85 million pesos between March, April, and May 1994, for personal expenses.

Hot Soccer Ball

Besides the politicians and persons previously mentioned, names of soccer players and sports managers also appear on the lists found by the authorities. They include Diego Umana who, according to the list, apparently received a check in the amount of 3 million pesos on 3 June 1994, deposited in account number 038-00772-0 at Banco de Caldas. Another appearing is goalie Oscar Cordoba, with a check for 13 million pesos deposited in account 022-01727-1 in Banco de Occidente. The list further cites the Cali ID document number 71,713,270 which, according to the Registry Office, is Cordoba's identification. Regarding this situation, Oscar Cordoba told SEMANA from Montevideo, where he was located with Seleccion Colombia [a Colombian soccer team]: "I truly don't have the explanation for that check. Everything that I have in my accounts comes from the salaries that I receive from Seleccion America [soccer team]. I have no connection with those people."

Also included on the list are two trainers from Seleccion Colombia, Pedro Zape and Pedro Sarmiento, who apparently received checks for 4 and 5 million pesos, respectively. SEMANA attempted to talk with them in Montevideo, but it was impossible. Another player on the list is Giovannis Casiani, for whom 2 million pesos apparently were deposited on 30 June 1994, in account number 3003-01427-5 at Banco Comercial Antioqueno. The player told SEMANA: "They suddenly gave me a check there as a partial payment, or as a work bonus, and I didn't try to find out its origin."

Furthermore, the prominent America team players, Antony de Avila and Alex Escobar, appear to have benefited from checks issued, and authorized by Miguel Rodriguez, for sums totaling 3.6 and 2 million pesos, respectively. As for the sports managers, the lists include Humberto Arias and Pedro Chang. The former is currently president of Deportivo Cali [Cali Sports]. The two checks that he apparently received total 158 million pesos. The first one is dated 20 April 1994, recorded with number 3225877 and deposited in Banco de Colombia account number 310-00781-7. The other, dated 15 May of the same year, was deposited in Colpatria account 3010-00833-6. The manager explained: "I haven't received money from those gentlemen; a homonym must be involved, since there are about five Humberto Arias' here in Cali."

As for Pedro Chang, who was a manager for America de Cali, appears to have a deposit of 10 million pesos, dated 18 March 1994, in BIC [Colombian Industrial Bank] account 062-9609090-1. On this subject, Chang commented: "I have had a relationship for some time with the La Rebaja drug firm and La Rebaja supermarkets. My company, Grupo Comunicaciones, manages the marketing and advertising for those firms."

All the preceding, both in the case of the politicians and that of the soccer players and sports managers, proves that the blows dealt to the Cali Cartel in recent months, and the coordinated effort of the investigative and other State agencies, such as the Banking Superintendency, if they are continued, will ultimately uncover the whole truth about the links between many prominent persons on the national level and the Cali Cartel, and the Rodriguez Orejuela family in particular.

The challenge for the persons being investigated is that, from now on, they must prove that they are not the real beneficiaries of those checks issued, or at least that those payments are associated with some type of legal business. Unitl this is explained, the final word cannot be given, and the news media (as well as the authorities) will be obliged to give those implicated the benefit of the doubt.

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